Introduction to Midnight Notes 12:
One No, Many Yeses

Since the end of the Cold War and the supposed triumph of the "global economy," specters of anti-capitalist struggle have swirled into life around the planet. For example, the Zapatista uprising in January 1994 revived the great anti-liberal Revolution of 1910 and helped throw the economic planning of the Mexican state, and the Mexican economy, into crisis. The general strike in France in December 1995 resurrected the Commune, blocked the social welfare cuts the French government had planned, and led to the electoral victory of the Socialists, who are at least promising a shorter work week and an end to "austerity." Finally, the South Korean workers' season of general strikes from December of 1996 to March 1997 ignited the Asian crisis and ended the dreams of endless profit booms for investors and speculators in "emerging markets."

Midnight Notes returns in the midst of the second great crisis of the post-Cold War era brought about by these struggles. In *Midnight Oil* (1992), we evoked the working class struggle which caused the Gulf Crisis. Both the Bush and Hussein regimes tried to crush it with bombs and to obscure it with TV images and nationalistic rhetoric. In One No, Many Yeses we examine the second great crisis of the post-Cold War era. This time it is officially expressed not as a military-diplomatic affair, but as a set of financial crises. Instead of seeing bombed and burning cities, we hear of stock market crashes and currency exchange catastrophes in Asia, Mexico and South America. But the same "specter" is responsible.

On the one side, these and other struggles have not yet blocked the continued rule of capital and the extension of more direct capitalist relations of production and consumption to a vastly larger area of the earth. On the other side, they preview the crisis of the neoliberal phase of capitalism itself. Does planetary capitalist expansion and reorganization set the stage for capital's defeat or its successful colonization of greater areas of human life? Has capital bitten off more than it can swallow in its more recent leap forward? Will it choke on an indigestible humanity resisting both reduction of life solely to existence as labor power and the incessant imposition of austerity in all its guises?

These and other working class struggles have forced some of capital's thinkers and planners to respond, as witnessed by George Soros' famous *Atlantic Monthly* piece, warning capital that "the uninhibited pursuit of self-interest" which is not "tempered by the recognition of common interest" will spell disaster for the system (Soros 1997: 48), and also as witnessed more concretely by the willingness of the World Bank to engage in negotiations and planning with the non-governmental organizations (NGOs). Does this, for capital, signal the start of something new, the first halting steps toward a new phase of capitalist development after the neoliberal processes of clearing away the deals and powers of the working class accumulated during most of this century?

On the other side, is the planet's complex and contradictory working class itself edging closer to a new phase of offensive against capitalism after a period of micro-social resistance? Amidst many struggles and efforts at developing new circuits of discussion and action, some key moments of the past several years have been the Zapatista uprising in Chiapas, Mexico and the Intercontinental Encuentros Against Neoliberalism and for Humanity initiated by the Zapatistas and held first in Chiapas in 1996 and then in the Spanish state in 1997. We see these efforts as an important part of a slow and still uncertain beginning of new possibilities for the world anti-capitalist struggle. This issue, the first in a new series from *Midnight Notes*, is one contribution toward exploring how the class struggles of the decade are reshaping both sides of the class dialectic. Borrowing a phrase from Gustavo Esteva, the title of this issue is "One No, Many Yeses," as one contribution towards hastening the end of capitalism (One No) and supporting the development of new socialities (Many Yeses).(1)

I. The Many Names of Capitalism

How has it been possible after decades of governmental guarantees of subsistence to its population that the very notion of such a guarantee has been put into doubt in the highest levels of world planning? Why are so many people starving, fleeing genocidal slaughters, dying of quite curable diseases, anxious about their literal survival even though they are "fully employed," or even finding themselves enslaved a century and a half after the end of slavery? What and/or who is responsible?

The answer is obvious: the development of capitalism. But this is not the capitalism of past, it is a new animal. The during the last decade the anti-capitalist movement has increasingly proliferated the names of the beast, from "globalization," to "neoliberalism," to "structural adjustment," to "the new enclosures," to "recolonization," and to "a new international division of labor." These terms have all been used recently to describe the planetary political economic developments since the beginning of the world capitalist "crisis" in 1971-73 (with the end of the Bretton Woods system and the oil price boom). It is worth while to note some of the differences between these names, so that we can get a clearer sense of the relation between cause and effect, for, as chaos theory has taught us, even a slight perturbation in a cause can bring about major instabilities in the effect. Indeed, until the movement has a better consensus as the meaning of its "One No," we will be hampered.

Let us take each name in turn.

(A) *Globalization.* Madonna images in Botswana, computers produced in Bangladesh, Burger King in Beijing, exchanging yen in Chile have now become standard experiences. Those who try to explain these recent developments look to a change in the production, consumption and exchange of commodities and money since the early 1970s (Barnet and Cavanagh 1994). Though the world market for commodities, capital and money existed for centuries before, the "globalization" theorists argue that until recently most production, consumption and exchange took place within national (or at least national-imperial) frameworks. This has now changed. Transnational corporations and banks and supranational agencies like the World Bank (WB), the International Monetary Fund (IMF) and the World Trade Organization (WTO) are "delinking" themselves from political attachments to nation-state "homes." They have "deterritorialized" and "globalized" themselves and as a consequence have the capacity to move capital, money and expertise at will to the places of highest return. They can produce, market, borrow on a global level while the legal and financial framework for this global capacity for movement and integration has been slowly but definitively put into place. Consequently, nation states, provincial governments, municipalities, local officials, and labor unions are now increasingly helpless in controlling the movement of capital, money, and jobs. "Corporations rule the world," in David Korten's phrase, along with their allies in the supranational level (the IMF, WB, WTO, UN) (Korten 1995).

The main consequence of this globalization of corporations has been a widening gap between "North" and "South," which are the operative conflictual terms for this perspective. The globalizing corporations are "integrating only about one-third of humanity (most of those in the rich countries plus the elite of the poor countries) into complex chains of production, shopping, culture, and finance" (Broad and Cavanagh 1995-96).

(B) *Neoliberalism.* This term has been widely used in South and Meso America and in Europe to describe the contemporary character of the relation of the state to capitalist development. It has not been very popular in the US because of the peculiar US development of the term "liberal." Sometime in the twentieth century it came to signify exactly the opposite of what it implied in Europe and the Americas south of the Rio Grande. (Although now, with the Clinton Administration, there might be a historical rapprochement of the two senses of the term!) "Liberal" outside the US refers to the market ideology and politics which had its paradigm moment in Britain during the 1840s. The liberals of that time demanded (and got) from the British state free trade (the repeal of the protectionist Corn Laws), strict adherence to the gold standard

(especially by other nations), the completion of the enclosures (end of common lands) and the repeal of the Poor Laws (and other forms of wage protection). Let us not forget, however, as Polanyi pointed out long ago, classical liberalism did not mean laissez faire (or governmental non-intervention in economic affairs) (Polanyi 1944). On the contrary, for example, if workers combined to force employers to increase their wages, the police and army were expected to break their combinations and strikes; or if South American governments could not pay back their loans to London banks, British gun boats were expected to turn up in their principal ports.

Neoliberalism is a late twentieth century reprise of classical liberalism (after almost a half a century of the dominance of anti-liberal Keynesian, social democratic, fascist or socialist state political economic policies), but with appropriate changes. Thus, the gold standard is now replaced by the rule of "hard" currencies and anti-inflationary monetary policy as defined by the IMF; free trade is replaced by the GATT rules overseen by the WTO; the enclosures are replaced by the privatization of the remaining communal lands and of most socialized property and income; the repeal of the Poor laws is replaced by a much larger legislative "social reform" agenda, since the wage and "welfare" legislation of this century produced a giant system to regulate the reproduction of proletariat in most countries.

The critics of neoliberalism see, through these shifts, an ideological identity between the "market reformers" of the WB, the Clinton Democrats, the Thatcherites and the Salinistas and the nineteenth century Liberals, but the neolibs present a new global boldness in application. The two themes of this ideology (past and present) has been the liberation of capital from the official constraint of reproducing the proletariat (on either the national or global level) and the apotheosis of market relations to the ideal of human sociality. But the level of "liberation" and "apotheosis" has been given an anti-Eurocentric twist, affirming the possibility of any state (regardless of race, color or creed) to achieve capitalistic bliss.

(C) *Structural Adjustment.* This term originally described a bankers' program devised by the WB and IMF to be imposed on any third world or socialist government that needed to reschedule their loan payments. This program included: (a) liberalization of trade, (b) the end of capital controls and promotion of "free enterprise zones" o "export processing zones," (c) the free convertibility of national currency, (d) an anti-inflationary monetary policy, (d) the reduction of government budgets, (e) the cutting of governmental employment, (f) the end of subsidies for education, health, and subsistence goods, (g) the privatization of government parastatals, (h) the individuation and free exchange of land titles. Almost every government in the Americas, Africa, Eastern Europe and Asia has agreed to impose a structural adjustment program (with more or less rapidity and rigor) in the wake of the Debt Crisis. The WB and IMF claimed that structural adjustment programs would reduce inflation, lead to a favorable balance of payments, reduce government internal and external debt, make national industries more efficient, and force workers to become more productive. All these changes would inevitably, the world bankers claimed, lead to a reduction of a nation's international debt, and so they were justified in requiring these programs as conditionalities for any future loans or payment rescheduling.

At first these programs were largely seen as immediate responses to emergency financial situations in a wide variety of different settings during the 1980s. But soon the cumulative effect of these programs on national capitalists, on the national proletariats, and on the total international debt itself was assessed. Inevitably: the national enterprises were swamped by transnational corporations entering into local markets they were previously barred from, while wages plummeted due to the rise in unemployment, the devaluation of national currencies, and the inability of workers to organize against transnational corporations operating in free export zones where protection of workers was systematically and legally banned. The result has been, on the one side, an actual increase in international debt and, on the other, a recolonization of the economic life of regions that had in the 1950s experienced decolonization (Danaher 1994).

Hence, the critics of structural adjustment have seen in the WB's and IMF's strategy an attempt to "roll back" the economic gains of "Southern" societies that were achieved in the period between decolonization and the Debt Crisis. These gains were supposedly leading to the development of an autonomous capitalist

development which was increasingly challenging the dominance of Northern states. This trend had to be stopped if the old hierarchies were to remain intact and the Debt Crisis provided a perfect opportunity for the WB and IMF, as representatives of the North, to sabotage this Southern autonomy and recolonize, in a more subtle and therefore more irresistible way. the nation states of Africa, Asia, South and Meso America (Bello 1994).

(D) *Recolonization.* This view takes the period between the Berlin Conference of 1885 and the First World War as the point of reference for understanding the present conjuncture. The Berlin Conference laid down the rules for a new period of capitalist colonization (or "imperialism" a la Lenin and Hobson) of Africa, but it also set the stage for the colonization efforts of the U.S. in the Caribbean, of the U.S. and Japan in the Pacific, and of all the imperial powers in China and South East Asia. As analyzed by the original theorists of late-nineteenth century colonialism, the "imperialism" game involved militarily conquering large sections of Africa, Asia and Oceania to create guaranteed markets for the home countries' cartels and monopolies, to spur the ascendancy of financial capital, to provide migratory outlets for rebellious workers from the European cities, and to force new masses of workers in the colonies to labor in almost slave-like conditions, all without entering into direct military confrontation with each other! This regime collapsed after the Second World for a number of reasons, not least of which was the recognition by imperialist governments that official colonization had many of the disadvantages of slavery for the masters. It put the costs of reproducing the colony in bad times on the colonizing country, just as the slave had to be reproduced at cost to the master even when there was little demand for the slave-produced commodity.

The contemporary projection of this scenario by recolonization theorists replaces the imperialist countries with the G-7 dominated supra-national organizations like the UN, the IMF, the World Bank, and the WTO that impose their conditions on previously decolonized countries through a combination of military and economic action. Attempts at direct military conquest ended with the U.S. failure in Vietnam. Consequently a more subtle approach was developed in the 1980s. On the one side, the techniques of low-intensity warfare and "humanitarian intervention" and, on the other, threats to isolate the countries from credit markets and to restrict their commodities from markets in Europe and North America, have created the conditions for a total subjection of Third World economies to the needs of international banks and transnational corporations (the modern equivalent of the late-19th century cartels and monopolies). The processes unleashed by recolonization also expanded the global labor market enormously through the use of "free enterprise zones" and "maquiladoras," while they created a new stratum of "global" managers whose primary loyalty is to the transnational corporations or supra-national agencies that employ them and not to their "own" country. Thus recolonization realizes many of the advantages of colonization without the troubling obligations to reproduce the colony.

(E) *New International Division of Labor.* This view takes as primary neither the behavior of global corporations and banks (A), nor the behavior of states and national ruling classes (B), nor the behavior of the supranational financial agencies like the WB, IMF and WTO (C). Rather, it starts from the basic problem in any period of capitalist development: production, and hence the integration of capital and labor. Labor and capital are never homogeneous. Labor, for example, is always divided into hierarchies of skills, wages, organic compositions (i.e., mixtures of labor power of varying skills with machines of different value) and these hierarchies are associated geographically across a city, a national territory and, most crucially, the planet. In this view, capitalist production has always been "global," it is simply that the international division of labor has undergone major transformations. The post-1968 transformation has been the latest and perhaps the most consequential for the geographical distribution of production (Carnoy *et al.* 1993). The older division of labor that put manufacturing industries in the core and agricultural and extraction industries in the periphery has ended. On the one side, the core countries (U.S.,, Western Europe and Japan) have de-industrialized and have focused on the production of services and information, while on the other side, the periphery has become increasingly the center of manufacturing. This has created a new division within the periphery between the Newly Industrializing Countries (NICs) and those which, for a variety of reasons, have been left out (Amin *et al.* 1982).

(F) *The New Enclosures.* This analysis was developed by *Midnight Notes* in the late 1980s (Midnight Notes 1990). It takes as its root historical metaphor for the present neither mid-19th century "Liberalism" nor late-19th century imperial colonialism, but the dawn of capitalism in the sixteenth (or "Iron") century which saw the original (or primitive) creation of a proletariat (both slave and waged). For no one is born a slave or a waged laborer, s/he must be made one by stripping from him/her any alternative but to be a slave (waged or not). The claim is that in every period of capitalist accumulation, the capitalist class must recreate a proletariat by "liberating" it from autonomous access to the means of subsistence. The Old Atlantic Enclosures of the sixteenth century in Europe, the Americas and Africa which involved the driving of European peasants from the commons; the genocide of native Americans who refused to abandon their lands in the face of colonialist demands; and the origin of the African slave trade are the model of this "liberation" (which often ended in slavery!) (Midnight Notes 1992) (Midnight Notes 1990).

This analysis puts to the center of the discussion a fact that the other approaches seem to have forgotten: labor is not only necessary for production, it is antagonistic to capital. The reason why "a great transformation" began during the trigger years (1968-1973) can be provided neither by the logic of capitalist development (from local to global production), nor by the autonomous ideological preferences of the national capitalist classes (from Keynesian to neoliberal ideologies), nor by the "anti-Southern" machinations of the IMF/WB/GATT/WTO or the imperialist G-7 nations, nor by the autonomous creation of a new division of labor. This transformation was a response to the increasingly aggressive proletarian rejection of the three "deals" (or "constitutions" in European parlance) that had been negotiated at the end of WWII: the Keynesian in Western Europe and the US, the socialist in Eastern Europe, the Soviet Union and China, and the third world nationalist. This world revolution was not capable of achieving a homogenization on a planetary level, however, and the counter-revolution of the New Enclosures inevitably followed, beginning with Chile in September 1973.

The post-1973 task of capital was to create a new planetary proletariat that would generate profits and continue accumulation. This required many changes in production (Fordism to Neo-fordism), in ideology (from welfarism to neoliberalism), in economic strategy (Keynesianism or socialism to monetarism), in technology (internal combustion engines to computerization and genetic engineering), in management (from nation state to supranational agency), as well as much invention, murder and mayhem (often called "risk taking" and "entrepreneurship"). These symptomatic developments have been commented upon by those who have developed the previous approaches. But most crucially this task logically required the elimination of access to means of subsistence, either through communal or non-alienable land tenure, or through pensions, doles, guaranteed employment and other instruments of the social commons that the previous period of class struggles had achieved). The methods used to extirpate this access were and are multifarious and devious, leaving their tangled trail in the field of class struggle for the last quarter century. But, in the process, the self-consciousness and self-certainty of capital as a class has definitely increased, from the hesitations of a Carter, Wilson, Gorbachev and Mitterand to the increasing clarity of a Reagan, Thatcher, Yeltsin and Chirac. The same cannot, unfortunately, be said of the vanguards that stormed the heavens in the late 1960s and early 1970s; for the process of the offensive against capital inevitably undermined and delegitimated the defensive organs of the working class (party, union and neighborhood).

Though the key feature of the new enclosures is the cutting off of any access to subsistence independent of capital (hence the cutting off from the past, the tearing out of the roots, the cult of the artificial seen in postmodern ideology), the problem of the creation of a working class and its reproduction is still with capital. It is one thing is to relentlessly drive people from access to subsistence, but it is quite another thing to transform these rootless ones to profit-making workers (be it slave or "free.") This is not an automatic process. The NIDL conception, the one which at least focuses on work, does not problematicize these most problematic of social preconditions for capitalist development.

II. Too Many Nos?

The critique of contemporary capitalism, as described under any of these rubrics, has been extensive, even in the face of the endless pro-capitalist propaganda that spews forth as news, scholarly opinion, and political discourse. A study of the collected recent works of Noam Chomsky would be more than an adequate for an introduction to both the propaganda and its critique.

But there has also been an intense discussion as to how "globalization," "neoliberalism," "structural adjustment," "the new division of labor," "recolonization," and "the new enclosures" can be challenged. Each of the six different (though, of course, overlapping) critical analyses of the post-1973 period of capitalist development have within them quite different political strategies, and within each approach there are quite sharp strategic debates.

(A) *Globalization.* Those who have taken as their theme "globalization" are debating two paradigms. One is the global approach, which attempts to deal with the system of globalization (trade rules, intellectual property codes, transnational corporate standards of behavior, accountability for the WB and IMF) within that system. This approach aims to create a global counter-force that would "tame" globalization and begin to reduce the wage gaps, environmental pollution, and cultural devastation that it will inevitably continue producing. An international civil society (including thousands of citizen groups, labor unions, environmental organizations) is increasingly confronting the WB, the IMF, the WTO and many transnational corporations on the "global level," in international fora and through international campaigns of public opinion and state action. In effect, this strategy is to develop a "global Keynesianism" that would provide a countervailing power (perhaps a "global Civil Society") against the emerging global super-state and super-corporate economy (Brecher 1994).

The second strategy is the local "sustainable economy" approach. It attempts to combine protectionism, ecological rectitude and preservation of local over global businesses and markets. It is Keynes married to Gandhi. The nation state is given power by local communities to protect local capital and local workers from the exactions of transnational corporations. Capital and labor would become sticky again under this paradigm (Cavanagh 1995); (Korten 1995).

(B) *Neoliberalism.* One of the most important political groups that has described the present stage of capitalism as neoliberalism has been the EZLN. The Zapatistas have defined their revolt as directed at neoliberalism in all its Mexican guises, and they have urged their supporters to create an intercontinental net of resistance to neoliberalism. But there are tensions within the Zapatistas' anti-neoliberal politics. On the one side, there is a strong element of indigenous autonomy thinking among the Zapatistas, i.e., the view that since the indigenous peoples are "unproductive" and "marginal" they can "drop out" of the dominant economy; and on the other, there is the recognition of the enormous productivity and profitability of so-called marginal territories like Chiapas and of indigenous peoples, which makes it clear that only a strategy of reappropriation of wealth on a national (and international scale) will make it possible for the mass of Mexicans to literally survive in the coming period. The Zapatistas' commitment to indigenous democracy inclines them to a localist "solution" to their insurrection, but their sober recognition of the national and international character of the exploitation of a province like Chiapas requires a much larger oppositional field to neoliberal policies, hence their appeal to a national and international "Civil Society" (a system of associational "tribes" without land!)

(C) *Structural Adjustment.* Proponents of a Structural Adjustment analysis within the 50 Years are Enough Campaign have debated abolitionism and reform. The abolitionists claim that the World Bank and IMF are incapable of being reformed, since these institutions' fundamental purpose is to expand capitalist relations and impose capitalist development (and immiseration) across the planet. The reformers believe that these organizations can be transformed out of existence through a careful, gradual encroachment on their autonomy. The reformist trend is now dominant in the major organizations of the Campaign.

(D) *Recolonization.* Some supporters of the recolonization analysis like Nyerere and major thinkers in the Third World Network like Raghavan take a statist approach and call for a new era of Third World nation-state unity in response to recolonization (Raghavan 1990). They envision the revival of efforts like the Non-Aligned Movement of the 1960s and the New International Economic Order movement of the 1970s that would make the notion of "the South" not just a geographical but political reality in the fora of international negotiation. A large spectrum of other thinkers, from Esteva, to Latouche, to Mies, view the revival of the project of development in the South with suspicion. They argue that perhaps the greatest (though least likely) calamity of the 21st century would be a successful capitalist development of the South. Their hope for a post-capitalist life lies not in the Third World Nation state but in the "the archipelago of the informal," "the new commons," and the revival of "subsistence" that lies beyond the reach of both the recolonizing supra-national organizations and their nation-state minions (Latouche 1993); (Esteva 1992); (Mies 1986).

(E) *NIDL.* The major debates here are in the assessment of the nature of the NIDL and its possibilities for struggle against capital. Those who look on the NIDL as one which throws mass workers and assembly-line industries to the periphery and introduces information and service industries in the core of the world economy argue that this transformation can become very destabilizing for capital if the new "collective intelligence" that capital depends upon develops a self-consciousness of its powers against capital. Others point out that the new industrialized proletariat on the periphery can become the new vanguards of the world movement against capital.

(F) *New Enclosures.* Here too there have been debates as to the proper strategy for organizing a halt to the new enclosures and a leap to a higher level of the planetary proletariat's homogenization and power against capital. Is this a period of working class defeat where the only possible response is to accept a "human rights" deal (fight for accepting a definition of minimum but uniform rights throughout the planet) or is it now time to again reformulate the old strategic maximalist question of the working class movement from its inception: how to expropriate the expropriators?

III. Fallacies of the "Anti-Globalization" Movement

I can't go on. I must go on.
Samuel Beckett

We are not so foolish to claim that we can resolve these debates and answer the all above questions in this issue of *Midnight Notes.* The "One No!" is still something of an ideal at the moment. It will have to be defined on the basis of a wide ranging anti-capitalist discussion and practice. But we can note that within the field of Yeses there are certain logical contradictions, especially in the anti-globalization struggle.

After providing some leadership to the movement in 1995 and 1996, the anti-globalization campaign, which had its strongest voice in the International Forum on Globalization, has now reached something of a stalemate. This stalemate cannot be evaded for long by opportunistic rhetorical ploys, for it becomes evident whenever issues of immigration, capital flight, and "hot money" are debated--and they all are being debated heatedly in the U.S. right now.

These phenomena are essential aspects of "globalization," for they pose the question of the costs (and gains) for workers and capitalists respectively of the mobility of their labor power and capital. If we simplify a bit, we can see that "globalization," as it is now experienced, is the regime in which capital (in monetary or even physical form) can be moved across national boundaries at very low cost, while workers still must pay high costs in moving from nation state to nation state (especially in the form of lower wages,

because they do not have full legal status in the state of their arrival). This asymmetry between the movement costs of capital and labor power makes it possible for capitalists to continually bid down wages, for if workers in a certain nation state refuse to work at wage W, then capital can be moved (at little cost) to nation states where the prevailing wage is substantially lower than W. Hence, capital becomes "global," while workers are stuck with the nation state whose only function is to police them and their desires.

There have been two main anti-globalization strategies that can be categorized by the costs of locomotion. The first is the "localist" strategy, which would make the cost of motion of both capital and labor very high. This strategy, associated with Korten and others, emphasizes the restrictions to capital's movement. It suggests a policy of "local control" of investment capital, with high penalties for withdrawing capital and tough restrictions on the kind of markets localized capital must produce for ("if you produce here, then you should sell here"). This strategy presupposes that the restriction on capital's mobility and the restriction on its markets will create an incentive for capitalists to accept a high wage solution in the negotiations between themselves and workers. (Since, from the capitalists' viewpoint, if your customers will be your workers, then they must have enough effective demand for your commodities to be sold.) This is a "sub-national" Keynesian strategy.

The proponents of this strategy often do not mention, however, the "secret" side of localism: the restriction on the inflow of workers. This restriction is the inverse of the mercantilist restriction on labor mobility, which saw the doom of profit in a tight labor market caused by emigration. For if the capitalists can sufficiently lower the costs of the movement of labor, and the conditions of labor around the planet can be made abysmal enough, then capitalists can import laborers (as something like "mail order" workers), in the way it has been done throughout U.S. history. This would make it easy to create divisions among workers and force them to bid down wages within any locality or community. Consequently, unless these proponents of localism make both the outward movement of capital *and* the *inward* movement of workers very costly, the high wage solution will elude them. This strategy would also largely leave unchanged, and even stabilize the present hierarchy of national wages.

The proponents of the other main anti-globalization strategy see in the free mobility of capital and the restriction of the movement of workers the cause of the dramatic lowering of wages internationally ("the race to the bottom," as Jeremy Brecher and Tim Costello call it) (Brecher and Costello 1994). Their solution is to lift restrictions and penalties on the movement of workers from nation state to nation state. They would use the growing supra-national coordinating bodies (e.g., the WTO, ILO, WB, IMF, UN) that have, up until now, been largely built to organize the free flow of capital throughout the planet (under the confusing banner of "free trade") as sites for struggle for global workers' rights. Their demands and slogans include a "global minimum wage" and "workers' rights are universal human rights." They would use the supra-national institutions now under construction the way pro-worker activists had used the post-WWII nation state in Western Europe and North America to impose the right to unionize, restrictions on exploitation, and a high wage policy on capitalists. Those who support this strategy are "supra-national Keynesians."

This approach is, of course, diametrically opposed to the "localist" one. Instead of pushing for the restriction of the movement of capital, it proposes the lowering of the costs of workers' locomotion and demands an "even playing field" for workers internationally, especially in the guarantee of universal rights and benefits for workers independent of their origin. Implicit in this strategy is the increasing homogenization of global wages (and hence a reduction of wages of those workers on the top of the hierarchy). This parenthetical consequence is its "secret" when being advocated in regions of high relative wages.

The tensions between these two approaches remain unnoticed partly because neither strategy has been fully endorsed by the anti-globalization movement. Consequently, this movement seems to be trying to operate both strategies at the same time, i.e., to demand a uniform framework of workers rights and benefits (universalism) while implicitly accepting restrictions on workers' movements (localism). Its internal tensions are often interpreted as between human rights and communitarian presuppositions, or between

"sameness" and "difference," in postmodern philosophical parlance. But at their root is a logical contradiction that inevitably hinders the confidence of the movement.

Capitalist ideologues have been quick to perceive the tensions between the "localist" and "universalist" (between the "sub-" and "supra-national Keynesian") strategies and have devised a most cynical response: appeal to "nativism" as far as workers are concerned, and appeal to "globalism" as far as capital is concerned (under the rubrics of "freedom of trade," "progress," etc.) Thus all the monsters of the capitalist past are revived and sanctioned (e.g., racism and slavery) in the context of a neoliberal ideology of "efficiency," "technological rationality," and "global values." The reason why this cynical approach has been so successful up until now is that it has been able to use the "secret" sides of both anti-globalization strategies: for the localists must logically accept the restriction of immigration, while the universalists must logically accept the reduction of wages at the top. These three approaches largely exhaust the possibilities of pairing the high or low mobility of capital with the high or low mobility of labor power, unless, of course, the rules of the game are questioned and transcended to a point when profits cease being the "final determinant" of human action, work, communication and thought.

One of the main political points of this issue is to convince you of two things: (1) the logical stalemate of the two major anti-globalization strategies and (2) the rules of class conflict and wage negotiation defined by contemporary capitalism inevitably lead to working class defeat. Where can we go from here? Once we know we can't go on, we must go on.

IV. New Enclosures, Neoliberalism and "Dialogue" versus Encuentros and Autonomous Struggle

The new enclosures and neoliberalism constitute just a phase of capitalism which is neither "late" nor "final." It came into being as a result of capital's war against the forms of power and organization and the resulting capacity of the working class, in various ways in various places, to establish some material security and supportive sociality. These working class powers inhibited capitalist accumulation and provoked a world crisis for capital. (This theme is developed in our book, *Midnight Oil.*(1992)) Capital's counteroffensive both reasserted an old enclosures -- such as driving people from the land and making them dependent on waged and monetarized relations -- and asserted a new form of enclosures, notably ending the welfare state, "socialism," Keynesianism, and other aspects of the ways in which sectors of the working class used the state.

The consequences of this counter-offensive, documented extensively since the mid-1970s, have included mass impoverishment, chronic warfare, genocide and ethnocide, vast migrations from the land and across the continents, fractured societies, the demise of unions and other forms of workers' organization and power, and great resistance in almost every area of the planet, though perhaps least noticeable in the U.S. Thus, capital's strategies of new enclosures and neoliberalism have once again intensified and expanded both proletarianization and resistance to it.(2)

Yet capital cannot be simply destructive. It must "develop" the spaces it clears and must absorb the people "freed" from the land or the home into more explicitly and directly capitalist relations. Let us be clear: housework, the raising of children, teaching, peasant/small farmer or communal agriculture, and petty trading -- the reproduction of life -- have all been incorporated into the world capitalist system and form aspects of capitalistically productive labor, that is work from which capital can extract a surplus. What capital discovered in the 1960s was that while productive, these areas (along with the factory) were also sites of resistance to capital, sources of counter-productivity and a drain on the capacity to accumulate. Thus they had to be brought more directly under the control of capital through the wage and the market (while the factory was simultaneously decomposed, restructured, and often moved to new locales).

Neoliberalism has had its "productive" side, such as vast leaps in communication capacity and ease of transport, proliferation of factory production and pockets of high technology in new areas, and expansion of industrial agriculture. But these developments have not absorbed the combined expansion of the working class due to population growth and expulsion from the land, and those workers contribute to accumulation primarily via the extraction of surplus through long hours of work and subsistence wages ("absolute surplus value" in Marxist parlance). The leap to accumulation via increasing productivity of work ("relative surplus value" in Marxist parlance) has yet to be engineered for most of the human race, despite capitalist domination of world production. This is the mass of labor that capital, via neoliberalism and new enclosures, must now digest to turn into fuel for expanded accumulation.

How is this "digestion" to be done? While the neoliberals respond with terror (e.g., executions, the expansion of prison slave labor and other horrors), others warn that, contra Dame Thatcher, society does exist and is not reducible solely to the market, and thus that something more must be included in the process of development than the market and the police. That is, they call again for the state to play a constructive role, though not in the same way as before (World Bank 1997).

To see how this could begin to work, we can look briefly at the process of negotiation that has been started between the World Bank (WB) and the non-governmental organizations (NGOs, which include a wide range groups like the Ford Foundation, Oxfam, the Red Cross, CARE, and Grassroots International). We explore this process not because it is now the dominant aspect of capitalist initiatives, which remain neoliberal, but to suggest directions capital is exploring in response to working class struggles against capital, and thus to suggest what the next stage of capitalist reformism could look like.

Many NGOs have been sharply critical of WB/IMF austerity and "development" programs. Rather than call for the abolition of these global capitalist planning agencies, however, the dominant trend has been to call for their reform. Facing not only the weapon of criticism but more importantly the criticism of weapons and rebellion from Chiapas to Papua, the WB's President, James Wolfenson, has suggested a dialogue between NGOs and the WB, explaining, 'if you want us to reform, you must help us do it.'

Thus, in at least eight nations, mostly in Africa, the WB has funded a vast organizing process of bringing hundreds of large and small NGOs together to meet and develop both a critique of the WB and an alternative development plan. But beyond the dialogues one can begin to see how capital is planning development through the NGOs. From Grameen Banks to local forms of participatory democracy to mutual aid in building roads to support expanded markets, routes to expanded productivity that are instantly part of the capitalist market are to be supported. Women are typically central to these processes. Thus, depending on how far the WB will go, the "reformed" WB and the NGOs proceed hand in hand toward capitalist development "with a human face." Already, of course, NGO critics of the WB are complaining that the WB is failing in its obligations to this process , but nonetheless the process continues.

For our purposes, we note several things about these processes. First, capital shows again its understanding that the road to development lies through working class struggle and energy, which must be captured and turned into productivity. Where it cannot be, of course it must be smashed, as in neoliberalism; but where it can be, lies capitalist progress. While, as always, small capitalist development projects have their space and even prerogatives, they will not be allowed to interfere with the broader schemes (hence the source of NGO complaints about the failures of the WB to honor the dialogues).

Second, the line between capitalist accumulation and working class power can be enormously complex and subtle. At one level, who can complain if "development" brings potable water (even if it was capitalist underdevelopment that destroyed clean water)? More complexly, emphasis on such things as women's participation and democracy can challenge local hierarchies and forms of exploitation (which historically often have been supported, perhaps even developed, and certainly exacerbated by capital, as in the marked increase of bride burnings in India based on expansion of the capitalist market into

family relations; and see the article on Papua in this issue). Unchanneled, such participatory efforts could lead toward constructing economic relations relatively unoccupied by capitalist relations -- which is

obviously not what the WB wants.

Third, the role of NGOs is thus very complex, but once having accepted to negotiate with the devil, it is difficult for them not to cut deals that will steer development onto a capitalist path. Thus, rather than help in organizing for development outside of capitalist relations, the NGOs become the modern version of church and state in "bringing capitalism to the natives."

Fourth, we can begin to see outlines of what capitalist development after Keynesianism/socialism and after the onslaught of new enclosures and neoliberalism could begin to look like. The "new social democracy" will not be statist but substantially "localist," in which the local is not so much mediated by or regulated by the state as engaging in direct relations with transnational capital. Labor not directly working for transnational capital will be channeled into work, often locally planned and organized through participatory schemes, that enables local capitalist development. There emerges a form of "autonomy" -- within the limits of capital's needs.

It is important here to remember just how powerfully the working class itself rejected the state, even while demanding social welfarism from the state. Such rejection, coupled with the general inability of the working class to create a viable alternative to capital, opened ready space for offensives by capital that took neoliberal form. Thus working class rejection meets "non-state" development in which the needs for sociality and security are localized and development is locally managed, in part. "Communitarianism" is, for example, one form of this planning in the U.S. Most assuredly, military and police and fascistic responses, continued neoliberalism, enclosures and ethnocide, await working class refusal to participate.

Fifth, a new social psychology of the worker is being constructed: the eager participant. While Grameen Banks and participatory decision-making are intended to produce the eager participant in the reshaped economy of the regions of historical underdevelopment, childrearing, schooling and changing work patterns in the areas of historical development are intended to produce the worker who eagerly participates, to replace the reluctant laborer of the assembly-line era. Of course this heads toward capitalist paradise: the worker who voluntarily and actively participates in planing and executing her/his own exploitation. In both instances, the category of the "thinking" worker is presumably encouraged, provided however that the thinking can remain confined to capitalist channels.

The "eager participant" and the "autonomous" wage-slave are capitalist uses of working class struggles for a life in which work has meaning and humans freely choose their social and productive relations. It is the impulse for the communal kitchen perverted into the local franchise McDonalds. Capital is here promising what it cannot deliver. Instead of real human control, local autonomy is merely a terminal of the global machine. These plans are a response to struggles, just as the Grameen banks were a response to fear that famine in Bangladesh in 1974, following on war and enclosures which drove millions from the land, would provoke revolution.

We are not arguing that the lowering of wages and smashing of social securities is now over, that capital has decided in general to move beyond neoliberalism and the new enclosures. Far from it. The New Enclosures remains the dominant aspect of capitalism, and resistance to them is at this time necessarily anti-capitalist. The work of the World Trade Organization (WTO), the emerging Multilateral Agreement on Investments (MAI), the expansion of the North American Free Trade Agreement Association (NAFTA) and NATO and the strengthening of the Maastricht treaty are among a plethora of capitalist supra-national organizing efforts, all of which are fundamentally neoliberal and continue the new enclosures.

We are here simply pointing to hints of where capital might be heading if it can begin to control working class resistance and harness it productively. ***It is not impossible for capital to shift from neoliberalism to new forms of development***. In that case, we need to keep two things in mind: this can happen if and only if capital can control and channel working class struggles and energies; and therefore the nature of working class struggles, the class' multifold goals and strategies, must be considered in light of a capitalist strategizing that is far more complex than a simply an unending imposition of new enclosures. While a return to statist social democracy is, we think, an impossibility, at least for generations to come,

"constructive" developmentalism is not only not impossible, it is a capitalist necessity if the system is to expand.

At root, it was the Zapatistas, the Papuans, the Indian farmers, and the multitudinous struggles against the WB/IMF which propelled the WB to accept the dialogue with the NGOs. The crisis of Keynesianism was for capital a crisis of its ability to use working class energy productively. It therefore had to attack and destroy working class power. Thus, so-called development schemes remained underdevelopment schemes, destruction of local powers and implanting alien nodes of production emphasizing dead, not living, labor. Yet working class power is the very heart of capital, and capital cannot survive without it. Thus, capital must continue to think seriously about how to use working class energy as the fuel for capitalist development, how to control local moments of power while fostering energy that can produce capitalist development.

In this, agencies such as the WB and IMF are only doing their job. But what of the NGOs who allow the WB to shape the process of discussion and networking in nation after nation, who end up forsaking the possibility of autonomous activity for deals with the WB? What, in short, will be the main relationship between NGOs and the emerging world state of supranational bodies controlled by transnational capital, the new coordinating committees of capital? And how do anti- neoliberal activists address not only the NGOs but also emerging aspects of capitalist developmentalism? Most importantly, how should such activists think about organizing and strategizing, developing clear anti-capitalist plans and routes?

For us, amidst many struggles and efforts at developing new circuits of discussion and action, the key moments of the past several years have been the Zapatista uprising in Chiapas, Mexico, and the Intercontinental Encuentros Against Neoliberalism and for Humanity, initiated by the Zapatistas and held first in Chiapas in 1996 and then in the Spanish state in 1997. We see these efforts as an important part of a slow and still uncertain beginning of new possibilities for the world anti-capitalist struggle. *Most critically, these efforts are intitiated by people in struggle, not by NGOs collaborating with the WB*. They are autonomous, self-defined. They bring together people from a multiplicity of struggles in a dialogue to learn from each other, to think about how to support one another and together create a means to overcome the world capitalist system. We do not argue that the Encuentros are the only such entity and process, only that they are important in themselves and as representing, through their autonomous self-development, the process of developing new capacities to struggle.

In this edition of Midnight Notes we open the first of a series of issues intended to explore and discuss the current shape of capitalism and class struggle. We ask the reader to participate with us in this effort.

V. The Articles in this Issue

This text presents four pieces. In "From Structural Adjustment to Land Mobilization to Expropriation," a World Bank Watcher details how the IMF was unable to make its land policy work, which provoked a crisis in Papua New Guinea. The control of land remains fundamental for capitalist development schemes, and despite terrible destruction inflicted on the population in the name of progress, people's struggles inflicted a defeat on the IMF and its subservient government. In fact, this defeat marked the beginning of the Asian Crisis.

Hugo Aboites, in "Globalization and the Transformation of the Mexican University," details the twists and turns of battles over the state's efforts to reshape Mexican universities to meet the imperatives of the capitalist world economy. Control over knowledge and the workers who produce and manipulate knowledge is critical to capitalist production, so the state has been required to reshape the universities. While the details in Mexico may vary from those in other parts of the world, the story illustrates capital's intent and efforts everywhere. In Mexico, students and faculty have not acceded quietly to the plans, and though those plans have managed to move ahead, the battles continue.

"Resistance to Neoliberalism: A View from South Africa" was written as a paper for the second Intercontinental Encuentro by South African Comrades for the Encounter. In this piece, the authors show how "homegrown structural adjustment" emerges from the particular class composition of South Africa, in the aftermath of the freedom struggle, within the context of global capitalist initiatives, into which South African capital and state seek to insert themselves. The paper also illustrates contradictions

in the process and suggests avenues of struggle against the neoliberal project.

We close with a chronology of class struggle in Asia and Oceania from 1995 to the present. We believe that a careful examination of the movement of workers struggles for wages and land hold the key in understanding the unfolding of the crisis. One chronology of struggle is worth a thousand corporate annual reports!

VI. Future Steps

In the near future, Midnight Notes plans additional issues. We propose next a discussion and analysis of the Encuentros and their relation to the Zapatista struggle. Already we have some material: reports from the Encuentros some of which can be found on the web at: http://www.pangea.org/encuentro/ and at http://www.geocities.com/CapitolHill/3849/gatherdx.html, and a lengthy draft of a piece by some Midnight Noters which builds on the work of the encuentros ("Towards a New Commons," a short version of which is available at the above sites and the full version at http://www.geocities.com/CapitolHill/3843/mngcjm.html). (If you are not on the net, we will mail you the short version of "Towards the New Commons," if you send us a self-addressed stamped envelope with postage for two ounces.)

For that issue, we seek to explore the meaning and uses of the Encuentros with an eye to strengthening them, as we expect there will be more, and in any event the process of planetary connections of anti-capitalist struggles must expand. We are therefore interested in articles in this vein which respond to the encuentros or to "Towards the New Commons." We expect to publish the issue on the Encuentros in the spring of 1998.

Beyond this issue, we intend to focus on research and analysis about the developments of class struggle on a planetary level. We have many questions. On what basis can unity among complexly diverse sectors of the class, which is fragmented hierarchically, be established? What are the forms of organization being developed by the working class that can facilitate unity and cycles of struggles that will overcome capital? The key term today seems to be "network." While we find much that is problematic behind this concept, still we can think of networking that needs to be done.

One network that needs to be developed is one focused on analysis in the service of overcoming hierarchies and strengthening unity-with-diversity within the class against capital. Understanding capitalist strategies is one part of this effort, but such work needs clearly to connect to developing struggles. At a minimum, this network needs to do two things: circulate knowledge of particular struggles throughout the planet and simultaneously circulate understanding of the strategies used to create and develop these struggles.

The task first requires reports and analyses that would provide rich material for deepening class analysis. The issues related to this knowledge include how to make the reports and analyses accessible and usable (including but not limited to the web); how to share the work of analysis and synthesis, evaluation and interpretation, to reduce duplication; how to develop better frames of analysis and ways to critique each others' frames or methodologies. Much of this used to be done by parties or supra-national entities from the first to the last International. While not seeking to replicate past organizational practices, how we can strengthen networks of people and groups working on these issues without the discipline and coherence of party structures is not clear and needs to be discussed.

But one cannot understand a struggle without having some knowledge of its strategy. Thus we need to develop our strategic discussion and analysis as well. To foreshadow one point to be addressed in the next issue, at least one glaring weakness of the second Encuentro was its very limited progress in strategic thinking, including on the topic of networks. While important issues were raised and questions posed, progress in resolving them was very limited.

Thus we conclude with a call to participate in an expanded discussion of analyzing class struggles -- capital's side, the working class' side, and their development. We hope the pieces in this issue help spur thinking about the struggle, and thus more effective class struggle. We hope further to present many analyses of particular struggles in many sectors and locales of struggle around the planet, as well as discussions of developing planetary working class anti-capitalist strategy.

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Midnight Notes' Chronology of Asian and Oceanian Workers' Struggles 1995-1997

The Asian/Oceanian Crisis of 1997 has been extensively analyzed by the business media, the research teams of the IMF and U.S. government officials. Their consensus is that it is a crisis was caused by the weak, "immature" banking systems of the "Asian Tigers." Bankers simply made too many bad loans to their cronies. Their solution is simple: let the IMF take over the Asian banks and finance ministries to ensure transparency and efficiency in the future.

But whenever the global media establishment points to monetary faults in this period, they are invariably referring beyond controllable transgressions of bankers, speculators and stock jobbers to the original sin of capitalism: class struggle. The ultimate source of all crisis is the reduction of profits by working class action. And one need not go far to see that this original sin was flourishing in Thailand, Indonesia, East Timor and especially South Korea, where millions of workers struck against "neoliberalism" in December 1996 and January 1997 before the grim gaze of a nuclear-armed U.S. occupation army.

The following Chronology should be a useful prophylactic for our reader who might, unhappily, find him/herself in the company of the insidious minions of the business media who continue to spout "good fundamentals" and "corrupt trading practices" while the streets are filled with tear gas, bullets and bludgeons.

South Korea. Jun. 8, 1995
President Kin Young Sam warned that a planned strike at the state-owned telephone company would be akin to "an attempt to overthrow the state."

South Korea. Jun. 19, 1995
Workers at Hyndai Heavy Industries approved a provisional wage agreement providing for a 5.6% wage increase and bonuses of three months pay.

East Timor. Oct. 12, 1995
Indonesian troops were ordered to "restore order" after major protest riots and demonstrations in the capital of Dili.

Indonesia. Dec. 7, 1995
The Dutch and Russian embassies in Jakarta were occupied by 113 Timorese and on-Timorese to protest the Indonesian government's occupation of East Timor.

South Korea. March 13, 1996
Two leaders of the Korean Confederation of Trade Unions, Yang Kyu Hon and Kwon Young Kil, were arrested. The Confederation brought a new militancy into the Korean union movement.

Irian Jaya (Indonesia).March 13 1996
"Rioting erupted again in the Irian Jayan town of Timika yesterday disrupting Freeport mine operations. Sources in Irian Jaya said more than 1,000 Irianese went on the rampage in Timika and the new town of Kuala Kencana damaging houses and hijacking vehicles. This followed a disturbance by several hundred people at Tembagapura, Freeport's mine, in the mountains 70km north of Timika on Saturday.
An army spokesman told AFP that 'The situation is getting out of hand here'. 'The police have given up and the military is awaiting orders to take action'.

The rioters, some armed with bows and arrows and axes, came from village communities around Timika and Tembagapura, including people from the Dani, Moni and Amungme tribes. Production at the Freeport mine was halted early on Monday following the troubles on Sunday. There were unconfirmed reports late yesterday that the rioters had tried to take over the airport at Timika.
About 300 Indonesian troops were being flown to Timika yesterday to help restore order. Two rioters were said to have been wounded by troops who opened fire on the protestors with rubber bullets, with one person believed to be in a critical condition.
Sources in Irian Jaya said that the rioting may have been sparked by a road accident late last week in which a Dani man was said to have been knocked down and injured by an expatriate Freeport employee.
Tribal leaders in the area of the Freeport mine are calling for a meeting with Mr James Moffett,US-based head of Freeport's holding company, Freeport McMoRan Copper & Gold. Freeport spokesmen have denied that they colluded with the armed forces in a series of incidents that led to a number of civilian deaths.
Last week the National Human Rights Commission said that it would send an investigative team to Irian Jaya following a request from the local Amungme tribal council to re-examine allegations of human rights abuses in the vicinity of the Freeport mine. (The Australian, 3/13/96)

South Korea. Jun. 19, 1996
Large parts of the auto industry were shut down because workers at Kia Motors Corp., the country's second largest auto corporation, struck in a wage dispute.

Indonesia. July 27, 1996
Protesters rioted through downtown Jakarta after the security forces stormed the headquarters of the Indonesian Democratic Party, driving out the supporters of the PDI leader, Megawati Sukarnoputri, the daughter of Indonesia's founding President Sukarno. The riots left millions of dollars of damage in Jakarta's commercial district.

Thailand. October 1996
Hundreds of displaced peasants set up camp in front of the Government House demanding more compensation.

Indonesia. Dec. 15, 1996
The Indonesian Ministry of Manpower recently announced that the average regional minimum wages would rise by 10% throughout the country. The labor unions had demanded 15%.

Thailand. Dec. 16, 1996.
The torching of two Sanyo Universal Electric PLC buildings after negotiations over year-end bonuses broke down has stirred fears about Thailand's record of harmonious labor relations. The increasingly open conflictuality has been officially documented. "The Labor Ministry recorded 1,075 labor disputes in 1995, with 74 of them resulting in strikes or lockouts while in 1991 there were 495 disputes and 63 work stoppages. The confrontations are becoming sharper as well. For example, a strike against Japanese motorcycle manufacturer Suzuki's Thai operations shut it down for three months" (Far Eastern Economic Review, 1/9/97).

South Korea. Dec. 26-29, 1996
The largest series of strikes and walkouts in South Korean history, involving hundreds of thousands of workers, took place to protest the new labor legislation that allows companies to lay off and fire workers more easily and to avoid paying overtime in a more flexible work system.

South Korea. January 9, 1997
South Korea's primary labor group called the biggest strike in the nation's history to protest the controversial new labor law.

South Korea. January 15, 1997
A general strike was called by a coalition of labor unions. The unions claim that 600,000 workers observed the strike call, the government claims it was "only" 100,000.

South Korea. January 22, 1997
150,000 workers, according to the Korean Confederation of Trade Unions, walked off their jobs to protest the new labor legislation. The wave of strikes over the previous three weeks have already "cost" South Korean corporations about $3 billion in lost production.

East Timor. March 23, 1997
There was a serious military crackdown against a group of about 250 unarmed East Timorese students who marched to the hotel where a representative of the U.N. General Secretary was staying. They wished to express their opposition to the continued integration of East Timor into Indonesia. They entered the hotel lobby and presented their written statement to an assistant to the U.N. representative. Soon thereafter, right in the hotel lobby itself, the Indonesian military began its assault on the students. The soldiers beat the students with sticks, shot at them and arrested those they could grab. The students were either pushed through the plate glass windows of the hotel or intentionally broke through them to escape. The Indonesian military, ever ready with an excuse for the inexcusable, claimed that the students were carrying machetes and knives. The U.N. envoy, Jamsheed Marker, has not issued a clear statement about what he saw if anything and his quips to the press indicate that he is buying the military's absurd version. His comments so far do not evidence any serious concern about the atrocity and its aftermath.
According to what we would consider to be the most reliable report, "21 were hit by bullets and 30 were injured by bayonets and broken glass. Among the injured some were captured and are being detained by the police, others managed to seek protection in Motael, in the convents and in their own homes. Some have disappeared and their whereabouts are not known." The report lists the names of 90 people who have disappeared, either they are in hiding or they are in the secret custody of the military. Of the 21 hit by bullets, an unknown number have died, anywhere from one to seven depending on the report.
Two days after the Dili incident, 32 Timorese students in Java and Bali entered the Austrian Embassy in Jakarta. Frustrated with Marker's lack of determination to meet East Timorese people during his 48 hours in East Timor, they demanded a meeting with him at the embassy (EAST TIMOR ACTION NETWORK / Madison).

Indonesia. April 28, 1997
A wage dispute at a factory near Jakarta that makes Nike shoes was resolved with employees winning a 10.7% wage increase. It was the second protest in a week against a Nike subcontractor.

Indonesia. April 28, 1997
"After rushing through the trials of the PRD (People's Democratic Party) defendants to their predetermined end, the judges in Jakarta read out the sentences yesterday, April 28. The PRD activists came to the courtroom for the opening of the session at around 10am. Wearing black headbands with the slogan "Democracy is dead" and T-shirts stating "Boycott the Elections" and singing songs such as "We Shall Overcome," they entered the courtroom under guard, told the judges they did not recognize the authority of the court and were then permitted to exit to a nearby holding cell. To the cheers of 200 supporters, the PRD continued its defiant boycott of the court up to the last. The judges, perhaps out of pique, decided to evict the entire audience and read out their 3 hour statement to a near empty courtroom.
In a meager attempt to appear lenient, the judges knocked one to two years off the already stiff sentences the prosecution demanded. Budiman got 13 years instead of 15, Garda got 12 instead of 13, Pranowo got 9 instead of 10, and so on. (See the listing below.) The only significant reduction was for Petrus who received 6 years instead of 12. Two other PRD activists, I Gusti Agung Anom Astika and Wilson Nurtiyas, will be sentenced next week.
What was the PRD ultimately convicted of? The judges' final decision, which reads more like a political statement than a legal document, makes it perfectly clear that the PRD's only crime was to criticize the government. The judges made no mention of the charges for which the PRD was originally arrested: masterminding the July 27 riot and propagating a communist ideology. The Suharto regime, unable to find anything to substantiate those charges that top officials hyped in the media last September, dropped them before the trial began.
In their statement, the judges so obviously incriminate themselves in a politically determined case that it would be unnecessary for us to make any comments. Just read an excerpt for yourself: "The defendants are

proven guilty for holding meetings to establish the PRD, holding worker demonstrations, and making statements that contradict the facts of the New Order government. The defendants also do not accept Pancasila [the "state ideology"] as the only principle. Their acts do not only discredit the New Order government, they disturb state security and economic stability."
The judges defended the high sentences by blaming the defendants for their lack of remorse and recalcitrance during the trial: "Budiman does not deserve to be respected and honored because he has trampled upon the dignity of the court ... The defendant was arrogant to read a speech which has nothing to do with the case and discredited the New Order government, especially President Suharto." When the judges' own statement is a defense of the New Order, it is ridiculous to contend that Budiman's speech, which was the PRD's collective statement, was irrelevant to the case.
The sentences: 1) Budiman Sudjatmiko, 13 years; 2) B. Garda Sembiring, 12 years; 3) Ign. D. Pranowo, 9 years; 4) J. Eko Kurniawan, 8 years; 5) Suroso, 7 years; 6) Petrus H. Haryanto, 6 years; 7) Ken Budha Kusumandaru, 4 years; 8) Victor da Costa, 1 1/2 years; 9) Ign. Putut Arintoko, 1 1/2 years; 10) Dita Indah Sari, 6 years; 11) Coen Husein Pontoh, 4 years; 12) M. Sholeh, 4 years; 13) I Gusti Agung Anom Astika, not yet announced; 14) Wilson Nurtiyas, not yet announced."

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FROM STRUCTURAL ADJUSTMENT TO LAND MOBILISATION TO EXPROPRIATION: IS MELANESIA THE WORLD BANK/IMF'S LATEST VICTIM?

by
A World Bank Watcher

Introduction: What is at stake?

Land tenure is at the very heart of the struggles for power and independence in Papua New Guinea, Solomon Islands, and Vanuatu. Control over the land gives Melanesians economic independence from the international companies as well as from the economic superpowers (the U.S., Europe, Japan, China, and their client states like Malaysia, Singapore, etc.) and the international banks (such as the World Bank) that represent the interests of these companies in Melanesia and other 'developing' countries. As a wage worker, if a Papua New Guinean, a Solomon Islander, or a NiVanuatu finds the pay too low or working conditions unacceptable, she or he can always go back to the village, where most basic needs can be satisfied with little or no need for money. In order to force Melanesians to accept the starvation wages and inhuman conditions of work that the largely landless populations to the north of Melanesia (the so-called 'Asian Tigers') have been forced to accept, control over their land will have to be taken away from them.

In the name of 'economic recovery', the World Bank/International Monetary Fund's (WB/IMF) Structural Adjustment Programmes for Papua New Guinea (PNG) and most other developing countries both mask and implement three main strategies for wrenching land out from the control of the original indigenous peoples who have traditionally controlled and looked after the land. The first and short term strategy is to forcibly evict communities from land targetted for key developement projects, such as dams, plantations, and mines. The second, medium term strategy is to offer schemes such as the World Bank's Land Mobilisation Programme to induce people to give up control over their land in exchange for promises of 'development'. Finally, the long term strategy involves the promotion of ideas about development that alienate the population in general and the youth in particular from the attitudes and work practices that are necessary for maintenance of viable communites and traditonal prosperity on the land.

When people adopt the vision of development promoted by the WB/IMF and the companies, they see little reason to hold onto their land, for they are no longer interested or able to live a happy life there. In this way, the people of Melanesia and other developing countries are being prepared to register their land and to eventually sell their land to the companies, that is, to receive a few limited land ownwership rights and 'fair market price' in exchange for their real power that all Melanesians have traditinally had over the land.

The market value of food and housing alone for a Melanesian extended family surviving at present free of charge on their own land runs into the millions of dollars, especially when the survival needs of the coming generations are taken into account. Of course, the value of the land goes far beyond food and housing to include fuel, water, inputs for money making activities, traditional medicines, etc. In short, even from a purely economic point of view, the land is worth much more to the people living on it than any company or bank could ever pay for it. As usual, however, the "fair market price" for land is determined not by the traditional inhabitants of the land, but rather by the "free market" which is in fact not free at all, but instead

rigidly controlled by the companies and the banks who want to get control of the land. Under such a system, the companies and the banksare guaranteed to win, since they set all the prices and all the rules.

The record of the WB/IMF around the issue of land in other 'developing' countries is not a good one. It is estimated that over the last decade, the WB/IMF was directly responsible for forcing at the very least one and one half million people off of their land to make way for big bank "development projects," with millions more losing their land because of the hardships brought about by the WB/IMF Structural Adjustment Programmes (SAPs).

If Melanesians become landless, where will they get the food and the shelter that they need to survive? It is difficult to imagine how a landless family could survive on the present minimum wage in any of the Melanesian countries (about US $3.00 per day in PNG), if one of their members were lucky enough to find employment in the first place. But according to the WB/IMF, $3.00 per day is too much. One of the conditions currently being forced on PNG under the WB/IMF's second SAP is the complete abolition of the minimum wage, ostensibly to bring Melanesian wages down to so-called 'competitive' or 'Asian' levels (officially about US $1.27 per day in Indonesia, but in practice most Indonesian employers pay about US $1.00 per day).

In Thailand, over 200,000 girls under the age of 10 have been forced into prostitution because of their landlessness and the hardship that the SAP has caused for their families. Around the world the number of children who are subjected to slavelike working conditions as child labourers is now over 200,000,000 and growing rapidly, largely due to WB/IMF policies. Will the next generation of Melanesian parents be selling some of their children to the rich, in order to buy enough food for the others? In countries like the Philippines, the landlessness and misery caused by SAPs have given rise to the buying and selling of children. Are Melanesian children to become "street kids" and be butchered in cold blood for their organs? All over Latin America there are now millions of abandoned children living on the streets because of poverty and expropriation of land brought about by the WB/IMF and their SAPs. The systematic murder of Central American children by local doctors, lawyers, and businessmen has made possible a lively market in childrens' "spare parts" for export to the United States, Italy, and other countries of the North.

The World Bank/International Monetary Fund: Colonization and Recolonization in Melanesia and the rest of the developing countries

Before we go on, we need to understand how the WB/IMF has managed to cause such suffering in developing countries like Papua New Guinea. The period of gradual decolonisation of the 1950s, 1960s, and 1970s has been succeeded by a period of rapid recolonisation during the 1980s and 1990s (Federici 1990: 304-307). Papua New Guinea, like most of the countries which have experienced colonial underdevelopment, counts two dates among the most significant in its history: (1) 1975, the year when it achieved administrative independence; and (2) 1989, the year when it could be said to have lost that independence, that is, the year when it was forced to accept its first Structural Adjustment Programme designed and implemented by advisors sent from the WB/IMF joint headquarters in Washington, DC. During 1995 and 1996, this loss of sovereignty has been consolidated so as to be irreversible under a 27-point WB/IMF 'policy matrix', which is currently being imposed on the government and people of PNG.

As in almost all of the other developing countries, Melanesian labour generates tremendous wealth for the world economy every year, but most of this wealth goes directly or indirectly to foreign interests and companies. This is the basic reason why the Melanesian countries and other developing countries have found themselves short of money and have had to borrow money from international banks. If Melanesians were paid according to the true value of the products of their labour, there would be absolutely no shortage of money in any Melanesian economy.

The first and second Structural Adjustment Programmes were forced on Papua New Guinea because it was unable to meet the payment schedule on its debts to the international banks, first in 1989 and then again in 1994. Most of these debts were accrued because of: (1) the rapid increase in the cost of energy, food and commodities imported from industrialised countries in the 1970s; (2) a series of 'big project' loans, which have been agressively 'marketed' by the World Bank and other international banks since 1976; (3) the sharp rise of interest rates on loans and the simultaneous collapse of the prices of commodities produced by tropical countries in the 1980s; and (4) PNG's lack of control over the exploitation of its labor, land, and resources by foreign companies who repatriate huge profits through mechanisms such as transfer pricing, with few benefits for PNG.

WB projects in Melanesia have proved to be no more successful than in other countries, filling the pockets of consultants, contractors, and suppliers from the industrialised countries, and leaving behind little for the people of Melanesia beside an ever growing debt burden and widespread ecological and social devastation. By 1989, Papua New Guinea's debt had risen to at least 2 billion Kina (US$2.2 billion at 1989 rates), and the government was forced to 'reshedule' its debts with the WB/IMF.

Before a nation is permitted to renegotiate its debt, it is forced by the WB/IMF to accept a SAP and a team of WB/IMF advisors to "manage" its economy and "get its house in order." The message is clear. The former colonial powers, now united under the umbrella of the WB/IMF, are triumphantly saying to their former colonies: "We told you so, you still need a 'master' to 'look after' you. We gave you your independence, but you weren't ready and you got yourselves into debt. Now you'll just have to let us come and clean up the mess you have made..."

But just as in most of the other 90-odd former colonies that have had to submit to SAPs over the past decades, the WB/IMF advisors and their SAPs have NOT gotten Papua New Guinea's house in order. After seven years of structural adjustment, PNGźs debt has not gone down, but instead it has nearly doubled to about 5 billion Kina (US$3.7 billion at 1996 rates, or US$1,000.00 per capita). Debt service payments presently consume almost a third of the national budget. With the active encouragement of the WB/IMF, the debt is likely to double again by the year 2000.

Over the last few years, PNG has become a major exporter of gold, copper, and oil. The exploitation of PNG's mineral resources has resulted in GDP growth rates of as high as 14% per year and a trade surplus of over US$1 billion in 1994. But because the WB/IMF has all but dismantled the regulatory regime formerly imposed on foreign companies by the PNG government, nearly all of this 'growth' and 'surplus' was sold offshore and deposited directly into the bank accounts of the foreign companies that own the mines and drilling operations (Brunton 1995). So despite the rosy GNP and trade figures (or perhaps because of them), the government of PNG declared that it would have to reschedule its debt with the WB/IMF in 1994-1995 due to a lack of foreign exchange reserves!

A closer examination of most (if not all) of the so-called "WB/IMF success stories" (Ghana, Mexico, Chile, etc.) around the world would reveal a similar picture: "favourable" increases in exports and the GDP which go straight into the pockets of the international companies and the local elites who are willing to do the multinationals' bidding. These increases do not even begin to compensate for the massive falls in GNP and production that inevitably occur during the first years of any SAP (Eastern Europe is a case in point). Nor do these increases ever seem to rectify the wholesale redistribution of wealth away from the poor to the rich and the apocalyptic decrease in living standards for the majority of the population that have characterised every stage of nearly every SAP that has been imposed by the WB/IMF. And in virtually every country which has experienced structural adjustment, the debt burden is on the increase, with savings from cuts in social services being diverted to business, the military, and the police.

Federici (1992) points out the striking similarities between the content and purpose of SAPs worldwide:

The 'debt crisis' has unfolded in Africa...showing how misleading it is to...believe that from capital's viewpoint 'economic recovery' is equal to 'debt reduction'....In most countries, the debt has escalated dramatically since their acceptance of the IMF-WB economic recovery measures. The Nigerian debt rose

from $20 to $30 billion after a SAP was introduced; while Africa's total external debt has tripled since 1980, and is now as large as the continent's GNP....What is at stake in the debt crisis is not the repayment of the debt, but the processes that can be activated through it. The debt crisis and SAP have made it possible to practically destroy or neutralise the labour unions, to freeze wages, to pass laws making labour and other social struggles acts of economic sabotage, to end free health care and free education, even at the primary level, to ban students' organisations. It has also resulted in the demise of local industry (not connected to foreign capital); and most important it has given the green light to the privatisation of land.....What this has meant for people can be seen by looking at Ghana, an IMF 'success' story....Since 1983, when Ghana decided to comply with the IMF, the national currency...has collapsed nearly 100% in value....Thus presently the monthly salary of a middle-level civil servant hardly pays for one third of the monthly food bill....Over the last four years two million Ghanaians, almost 20 percent of the Ghanaian population, have emigrated to Italy, Iceland, Australia, joining the thousands who are also leaving for other parts of Africa....This diaspora is a gold-mine for European and American capital, but it is an economic disaster for Africa that has lost in the 1980s one third of its skilled people to Europe alone. Meanwhile, hunger is spreading, even in places like Nigeria, traditionally the yam basket of Africa....The Chilean recipe has been learned by rote: students' organisations must be banned, unions must be intimidated, security forces must be remodeled (usually with the help of shadowy US-British-French-Israeli advisors). A new legislation has also been put in place, in a now standard fashion. In Nigeria, we have Decree 20 against 'economic sabotage'-including strikes at oil sites (establishing the death penalty for such saboteurs) - and Decree 2 establishing preventive detention for up to six months. Increasingly, capital punishment has been used as a weapon in the war against armed robbery, the African equivalent of 'the war against drugs.' As for the spaces left to freedom of speech, let us just mention the case of Nigeria, where even seminars on the SAP have been met with armed policemen at the doors (Federici 1992: 311-313).

UNICEF estimates that 500,000 children per year die because of WB/IMF SAPs. Given the fact that the real intention of the SAPs is not "debt reduction" or "economic recovery," but rather the re-establishment of a greater degree of power by the old colonial masters over their former colonies, it is not surprising that the goals of the Papua New Guinean SAPs in 1989 and 1995 are strikingly similar to the recommendations of the first WB mission to Papua New Guinea twenty five years earlier, in 1964, eleven years before Papua New Guinea achieved independence.

The 1964 WB report envisioned a cash crop export-led scenario for "development" in PNG. Under the SAP, the "Expand to Export Campaign" was initiated in 1990, to promote the establishment and expansion of plantations in the country. This at a time when the prices for cash crops are at all time lows, largely due to the fact that for the past decade the WB/IMF has been promoting similar cash crop production campaigns in nearly every other tropical country where it 'manages' the economy. Melanesian cash crop producers are actually working harder and producing more than ever, but getting less and less for their efforts.

Another key recommendation in 1964 was the lowering of wage levels. Under the SAP, the currency was devalued by 10 percent in 1990 and by another 20 percent in 1994 and then allowed to 'float' downward another 15 percent, all of which amounts to an effective 40 percent across-the-board pay cut for all Papua New Guineans. The urban minimum wage has recently been lowered from US$36.00 to the level of the rural minimum of US$21.00 per week, while under the second SAP, PNG is supposed to eliminate the minimum wage altogether. Pay raises, promotions, and new hiring have been frozen in the Civil Service, Papua New Guinea's largest employer. Traditional collective work practices were also targetted for criticism in 1964, and the "new wave" WB/IMF designed plantations are based on the "block system," in which nuclear families are isolated on small lots of company land where they must tend cash crops without the help of extended family members ("each man (sic) for himself" (sic)).

The WB/IMF inspired transfer of government funds from social services to the military, the police, and the prisons that has occurred in so many other developing countries is also to be found in Papua New Guinea. Incredible as it seems, the WB was already recommending cuts in social services such as primary education as early as 1964, when these services as yet barely existed in most areas of the country. Since the SAP was

accepted in 1989, spending on social services has been slashed. Women's programmes, youth programmes, programmes for employment generation, education, and health have all felt the WB/IMF axe, while spending on the military, police, and prisons has increased substantially. These increases in funding for the SAP sponsored "Law and Order Campaign" can be seen as part of the implementation of yet another of the WB's 1964 recommendations: the establishment of a "favourable investment climate" in Papua New Guinea. That is, a climate where capital (especially foreign companies) could feel comfortable and safe. New legislation has been passed during the past six years, including the death penalty for certain crimes, an Internal Security Act, a Peace and Good Order Act that carries a severe sentence for obstructing the operations of a company, a Vagrancy Act, and new requirements for the carrying of national identity cards and police clearance before staging public demonstrations. In 1990, the better part of the regulatory regime for foreign companies operating in Papua New Guinea was abolished with the demise of the National Industrial Development Agency (NIDA). Under the second SAP, all regulations will be wiped off the books.

The PNG constitution is one of the most progressive constitutions in the world, committing the government to the recognition of customary power over land, the protection of the environment, and the adoption of a non-monetarist paradigm of development with the objective of 'the liberation of every Papua New Guinean from every form of oppression.' Under the second SAP, a review of the PNG constitution is now being undertaken, with the repressive constitutional and legislative regimes of the "Asian Tigers" such as Indonesia, Singapore, Malaysia, and even China being held up as models to guide the reform process.

The most salient recommendation of the 1964 World Bank mission to Papua New Guinea, however, was to eliminate or radically modify traditional land tenure systems to make it possible for land to be owned individually and to be bought and sold. Over the last decade, one of the flagship programmes of the WB in Papua New Guinea has been the "Land Mobilisation Programme." While social services budgets are being cut under the SAPs, the Land Mobilisation Programme has received generous funding. As will be shown below, the Land Mobilisation Programme is little more than a scheme to ready the legal system and the population for massive expropriation of land through the effective abolition of the traditional land tenure system.

'Land Mobilisation' and the WB/IMF sponsored expropriation of land in Melanesia

Unlike most "developing" countries, the Melanesian countries have not yet had most of their land incorporated into the Northern (or "Western") system of ownership. For example, 97% of the territory of Papua New Guinea is divided into customarily demarcated areas, each of which is collectively held by an extended family group. Virtually every Papua New Guinean (over 95% of the population) enjoys this sort of collectively based land tenure today. While 85% of the population live in rural areas and exercise their land tenure rights directly in their day to day lives, most of the 5% of the population that live in towns and the 10% that live in shanty settlements can also return at any time to their ancestral areas and claim their rights to use the land.

Under traditional systems of land tenure in Melanesia, there is no concept of "owner." The people who traditionally inhabit and exercise custodianship over the land belong just as much to the land as the land belongs to them. In most Melanesian languages, peoples' relationship to land is not normally expressed in terms of alienable (commodifiable) possession, but rather in terms of an inalienable, that is, familial or even corporal association. Instead of referring to themselves as "landowners," Melanesians traditionally refer to themselves as the children, siblings, or parents of the ground. In the customary conceptual framework, it is as impossible to envision the buying or selling of ground as a commodity as it is to envision the buying or selling of one's mother or child, or of a piece of one's own flesh. While many Melanesians, with the active encouragement of the WB and the companies, are "triumphantly" referring to

themselves as "landowners" these days, their uncritical acceptance of the name and the illusion of absolute control over land that it promotes, represent a major victory for the WB/IMF in its persistent drive to transfer control the land of Melanesia from the indigenous people to the foreign companies.

The popular media present the three main aims of the WB/IMF Land Mobilisation Programme as:

(1) To mobilise land for "development." The assumptions here are that land in Melanesia is not "developed" and that traditional land tenure is somehow preventing this "development." If development means to improve the quality of life, it can be convincingly argued that the land of Melanesia is some of the best developed land in the world. The accomplishments of this traditional form of development are impressive, and include techniques for conflict resolution and contraception which are unrivalled in their sophistication, and the elimination of homelessness, unemployment, and hunger. In the growing number of instances where customary land tenure is breaking down in the name of "development," the quality of life has depreciated. It is especially in areas of Melanesia which have been "developed" by the World Bank and other company oriented projects that we are witnessing the first cases of homelessness, hunger, women forced to accept regular beatings and yearly pregnancies, serious alcoholism, violent crime, prostitution, etc. In fact, it can be said that the current "Law and Order Crisis" in Melanesian countries is largely a product of the growing landlessness and alienation that result from the "Cargo Development" model so aggressively promoted by the companies and the WB/IMF. Cargo Development involves the rejection by Melanesians of themselves, their culture, and their resources as viable historical agents in the development process, accompanied by the uncritical acceptance of a version of 'development' which is owned, operated, packaged, and imported into the country by foreign companies and agencies, such as the WB/IMF.

(2) To give landowners an opportunity to use their land as collateral to get loans from the banks. The very questionable assumptions here are that land is a commodity, that Melanesians' greatest need is money, and that bank loans are designed to enhance the quality of life in Melanesia.

(3) To protect a particular group's traditional lands from encroachments by neighbors. The assumption here is that Melanesians are their own worst enemies and that this WB programme will "save Melanesians from themselves and their traditions". This logic is typical of what is becoming known as the Cargo Development model which is the dominant development model in Melanesia today.

The Land Mobilisation Programme is implemented through the various provincial Land Acts, which make provision for the registration of land. In this article, I will use the East Sepik Land Act as a point of reference. The registration procedures entail the following:

(1) First, the land is surveyed and boundaries delineated. In traditional Melanesian societies, some boundaries are fixed, some are fluid, some are contested, and some zones are shared with neighbours. Shared and contested lands may not be registered, leaving the way open for these to be declared state property and taken away from the people who have traditionally used them. When these common lands are expropriated, the territorial basis for sharing relationships between ethnic groups is eliminated and the state is free to sell the confiscated land to the companies.

(2) The boundaries are then listed in the Land Register and one, or sometimes a few "landowners" or "trustees" sign the book. The registration process thus opens the way for the individuals whose names are listed in the Land Register to act "on behalf" of the rest of their extended family and to sell usage rights or to sell the land outright for their own personal gain, without consultation with and without consent from the other members of their family line.

(3) Once the land is registered, the "proud new landowner(s)" can use it as collateral to take out loans from the Agriculture Bank (the ultimate source of these loans is international bank loan monies to Papua New Guinea). Loan recipients are normally advised to use the money for cash crop projects. There is little likelihood of landowners being able to make enough profit from cash crops to pay off their debts. In the almost inevitable case of default, the bank is given control over the land for a specified number of years, to

run as a plantation or for other uses. With only minor ammendments, the law could allow for the complete expropriation of lands from defaulting landowners.

4) Once the land is registered, it can be taxed. Under the SAPs, a number of regressive taxes have been imposed on the people of Papua New Guinea. Without land registration, however, it is imposible to levy land taxes. If enough land is registered and land taxes are charged, land could be confiscated by the State from those who are unable to pay. In the 1800s, the Head Tax was used in a similar way by the Germans and the Australians to force Papua New Guineans who were unable to pay it into slavery (so called Ícontract labourź) on plantations in Samoa and in Queensland. Under the present SAPs, the diversion of social service monies to debt servicing, the police and the military has caused steep increases in primary, secondary, and tertiary school tutition and medical fees. As a result, more and more Papua New Guineans are being forced to devote more and more of their land and labour to the generation of cash to pay taxes as well as to pay for scooloing and medical care for their children.

5) Land registration transfers control of land from the traditional and democratic authority of the local people to the absolute and centralised control of the Land Register. According to the East Sepik Land Act, the Land Register is under the supervision of the Controller of Lands, who has discretionary power to change boundaries at any time.

In summary, when a person registers a piece of land, the customary power that he or she and the community held over the land is lost and exchanged for a very limited set of ownership rights. Custom law was created by the people of Melanesia in their own interests, so that they could control their own land and the fruits of their own labours. Under customary law, land is something that can never be taken away. Western laws, such as the Land Acts, were created under the influence of foreign agencies such as the WB/IMF. Western laws are, in the final analysis, made in the interests of the companies who want to take control over the land and the labour of the people of Melanesia.

The East Sepik Land Act requires that before land registration can begin in a particular district, a considerable majority of all of the people of the district must give their prior approval, presumably after some sort of awareness campaign is carried out to help them to make an informed decision. It can be convincingly argued that in most if not all of the districts where land registration is taking place, this approval has never been sought, much less granted. It could very well be that for this reason alone, most or all of the land registered under the Land Mobilisation Programme thus far has been registered illegally.

1995: The popular movement against 'Land Mobilization' in Papua New Guinea

One of the 27 points in the "policy matrix" which the WB/IMF is imposing on the government of PNG as part of its second SAP requires that legislation for the registration of land be finalised and that land registration be completed in two of the most populous provinces of PNG: East Sepik and East New Britain. When the content of the policy matrix was leaked to the public in July 1995, a national coalition of community groups, women's organisations, human rights activists, popular education workers, students, and church groups spontaneously arose to challenge the 27 points, which beside land registration, require the ending of price controls, a freeze on wages, increases in health and education fees, and the abolition of the minimum wage.

The popular response to the threat of forced or accelerated land registration under the WB/IMF policy matrix was unprecedented in the history of PNG. While secondary and tertiary students were boycotting classes, rallies and marches occurred in most of the urban shanty settlements including Morata, Gerehu, and Kilakila, as well as in most of the largest provinces including East Sepik, East New Britain, Enga, Simbu, Eastern Highlands, Morobe, and Oro. Lawyers who had been charged with drafting the proposed

framework legislation for land registration were run out of several provincial centres as they were trying to promote public acceptance of the new land laws.

The unrest culminated in a massive march to the Parliament House in Port Moresby. Police were stationed at key road junctions to prevent marchers from reaching Parliament. As the marchers approached the police and their officers ordered them to raise their guns, women from the crowd approached each policeman, asking him if he had children and if he, too wasn't worried about what was going to happen to his customary land. Invariably the policemen lowered their guns and expressed sympathy with the marchers, letting the demonstrators pass through police lines. Meanwhile, another group of women convinced a group of some sixty soldiers from Murray Barracks to join the march.

When the marchers reached Parliament House, the government ministers responsible for implementing the WB/IMF 27 point plan were in disarray. The Minister for Lands promised to end all work on any new legislation regarding the registration of land. A public statement by the Prime Minister to this effect was published in all of the daily newspapers a few days later.

A battle for indigenous power over land was won, but the war continues. The old registration laws still exist, and they will be reinforced by a major injection of new funding to the Lands Department. The recent replacement of strong and independently-minded provincial governments by national government-appointed provincial administrators will facilitate the implementation of WB/IMF sponsored "reforms" such as "Land Mobilization." But the struggle for power over land will not be won or lost in any of these arenas. Ultimately, it is the WB/IMF's distorted concept of "development" that is being pushed like a drug on the populations of PNG and the rest of the world that will need to be challenged and demolished if the people of PNG and the rest of Melanesia are to retain real power over their land, their labor, and their lives.

One last chance for Melanesia: Will the lessons of the past be learnt?

The SAP and Land Mobilization have come quite late to Melanesia. In most developing countries, these and similar programmes were implemented years ago and have already caused tremendous harm. While the Papua New Guinean WB/IMF Structural Adjustment Programme is very similar the the other SAPs that other developing countries have been forced to accept, there is one factor that makes Papua New Guinea and the other Melanesian countries unique in relation to Structural Adjustment. While the other developing countries had to accept the SAPs on faith, because the SAPs were new and their results not yet evaluated, the Melanesian countries are only now being forced to accept these programmes, after the disastrous results from the rest of the world have already been made public and have even been to some degree acknowledged by the WB/IMF itself.

It is clear from the way that they are trying to implement their SAPs in Melanesia that the WB/IMF intends to make Melanesia another source of low cost labour and resources for the companies. The key question now is whether or not the Melanesian countries can learn from the horrible cost in human life and suffering caused by the WB/IMF SAPs in other developing countries. Will the Melanesian countries allow the big banks and companies to transform their indigenous populations from relatively well housed, well fed, and productively employed citizens into landless, homeless, and underemployed wage slaves? Or will traditional Melanesian creativity, resourcefulness, and humanity prevail and the tremendous developmental achievements of the ancestors be used as a solid foundation on which to build an alternative model of Community Development that will compete with the WB/IMF Cargo Development model? If Melanesians have the courage to assert themselves in this way, they could become the world's teachers and humanity's guides in its quest to become human again, instead of becoming the world's latest coffee, timber, oil, and gold plantation slaves and toxic waste dumping victims.

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Globalization and the transformation of the Mexican university

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Within the last ten years, the Mexican university has been drastically transformed. The economic policy of privatization and reliance on foreign investments has been paralleled in the educational sphere by a similar privatization of knowledge and a greater dependence on Œimported knowledge[1]. Until these recent changes, the Mexican university was the expression of a social pact dating back to the 1910 Revolution, according to which the university was to be an institution committed to providing free education, open to all, autonomous (boards were usually composed of faculty, students, administrators and staff, while government officials and businessmen were never present), democratic, intellectually progressive and, thanks to the unionizing drives of the seventies, professionalized. The university was also the institutional foundation of the country's research infrastructure. Of the nearly 2,100 units of research and development, 880 belonged to the universities and only 55 to private industry, government centers accounting for most of the rest. This vision of what the university was to be was seldom completely realized; it was, however, the frame of reference of many university struggles over the last six decades. By contrast the changes that have been introduced in the 1980s in higher education involve a complete reinterpretation of the legal mandate of the institutions, which often instructed that research and teaching should address the [3]needs and the problems of the society".

The changes that have taken place have been dramatic in almost every area. Tuition fees, in most universities, have increased, and so has the influence of big business on higher education, following the creation of national and local organisms endowed with academic authority, whose membership includes selected faculty members, government officials and business representatives. A new wage policy has been introduced that ties faculty salaries to productivity. Unions have been pushed to the margins of university life, by the introduction of new wage policies that are not subject to collective bargaining, and by a legal disposition, dating back to 1981, that prevents them from negotiating most of the issues relevant to academic life. Subsidies for education have been cut, with the result that the growth rate of students in higher education, already very low (15% of the youth in the 18-24 bracket, against 50% in the U.S.), is slowing down. The space given to the discussion of ideas and criticism has shrunk and has been subjected to market rules. Students, staff and faculty organization, that were instrumental in establishing that education is a right and an exercise of democracy, are slowly being replaced by an amorphous number of individuals who only relate to each other as providers and consumers of an "educational service." These tendencies have been intensified by the signing of the North American Free Trade Agreement (NAFTA). According to the logic of the NAFTA, knowledge-producing institutions must come under the control of both the industrialists, who are eager to acquire technological innovations, and the government whose task, under the Agreement, is to protect the property rights of U.S. and Canadian companies (see Chapter 17 of the Agreement), and insure that the production of knowledge is controlled by the market.

State and University in the eighties

The "rationalization" of the Mexican university is the outcome of a process that began in 1982. In the fall of that year, the Mexican government declared that it could not continue to service the foreign debt. No

event could have been more dramatic and symbolic than this moratorium. It showed that the State was unable to foster growth within the political and economic arrangement created over the last decades and even before. It also showed that, for the last ten years, the crisis had been postponed only through the borrowing of more and more funds, so that, in less than a decade, the debt had grown from around $30 billion dollars to more than $100 billions. The rate of borrowing had increased especially in the previous years, when the flight of capital from Mexican investors had reached record heights.

The collapse was to serve the government, in the following years, as the basis for the introduction of a different kind of social deal in the country, where any new step would be justified as a ³painful but necessary measure² in a period of economic emergency. A crisis of such depth, it was said, could not be resolved without a complete restructuring of the country's economy. Accordingly, the new group in power--the technocrats and modernizers--argued that Mexico should conform to the rules and standards set by the international financial agencies, particularly the International Monetary Fund (IMF), presumably to gain a new international respectability and build the conditions for a new type of development.

It was clear for the modernizers that Mexico's integration in the global economy and its expected sequel, the arrival of foreign capital, were not possible within the context of the existing relations between the State and the main social sectors in the country. The social benefits stipulated by such relations, including access to education, were presented as an excessive overhead for the State and prospective investors. Thus, in May 1992, the federal government put an end to the existing single, centralized system of elementary and secondary education, both in order to shift the financial responsibility of education to states and local communities, and to disperse in 30 different sections a union that, up to that point, had been the only one in the country for all the employees of the Ministry of Education and, as such, was one of the most powerful unions of Latin America. For years the presence of a single union had forced the State to negotiate almost every change, and had greatly inhibited business' influence on education.

A similar logic was applied to the university system. Beginning in the early 1980s, a quick series of new measures were introduced that undermined the most positive characteristics of the Mexican university. In 1980, following a change in the constitutional article concerning education,(2) new labor rules were introduced that limited the rights of university workers' organizations (especially those of the faculty) to negotiate ³academic² matters. This meant the exclusion of the teachers' union from any bilateral supervision over the academic process used to recruit and promote the faculty. The new legal provision also explicitly ruled out the possibility of a national union of university workers. Later on, in 1982-83, another milestone in the path of change was reached. Following to the letter the recommendations of the IMF, a drastic reduction in higher education subsidies was put into place. It was carried on by increasing, by only a few points, the funds for higher education, whereas the yearly inflation neared 100% percent. Not surprisingly, by 1984, the real value of the subsidies and the salaries of the faculty and staff workers had fallen by almost 50%.

The cut of subsidies, put a strong pressure on the universities' administrators, leading them to question the feasibility of a virtually free higher education and to explore the possibility of strengthening relations with the private sector. Later, the government educational cabinet,(3) took the increases in tuition-fees, and the search for ties with private companies, as a sign that university administrators were willing to start a process of "reform towards excellence." Soon such moves would be seen as the condition for granting additional funds, for specific projects, in selected institutions. According to the new criteria, funds that were much needed for the foreseen expansion of the university, were given, instead, to those institutions that pursued change within the governmental guidelines.

This strategy of reductions combined with selective support worked so well that, ten years after the first cuts, in 1992, the real value of the regular subsidies had not substantially increased (it never returned to the pre-1982 levels), while the funds based on "quality" have substantially increased to the advantage of science and technology programs, and graduate studies.

By the second half of the eighties, the government's success in the reshaping funding policies, and tying them to desired institutional behavior, had made a big dent on the universities' autonomy, with regard to

their ability to distribute resources. As the regular subsidy was insufficient, and supplementary funds could not be transferred to any other budget line, being usually earmarked for very specific projects, the search for additional resources became frantic. This undermined one of the bases of university autonomy : the use of such criteria as real or projected enrollment, to determine the amount of funds needed. The government, however, was satisfied, and declared that universities should now adapt to the reality of global competition (by raising quality and helping industry) and demonstrate a greater efficiency in the use of public funds.

The strategy of selective funding also served to diffuse the protest of the universitarios against the new austerity policies. In the early eighties, the subsidy cuts had created a unified front in every higher education sector-- scientists, administrators, unions, prominent faculty, artists, intellectuals, students and families. But the selective distribution of funds in scientifically and politically strategic areas (to top researchers, for example) cooled the protest.

At the same time, the new procedures for distributing funds created other problems. University presidents were frequently put in the position of having to figure out what to do to appear productive. In an effort to homogenize and render more democratic the application of guide-lines, the National Association of Universities and Higher Education Institutions (Asociación Nacional de Universidades e Instituciones de Enseñanza Superior, ANUIES)--a board made up of the presidents of all institutions-- was given the task of determining the criteria to be used by Œpeer committees¹ for the evaluations of the institutions. But they could not change the new approach set up by the government.

The introduction of this new form of funding marked the transition from ³austerity² (simple cuts) to ³structural change,² or ³restructuring² (selective distribution), in governmental parlance. A classical example of the new approach is how the notion of faculty salary changed and, with it, the concept of a professional faculty. Starting in 1984, selected faculty began to receive a substantial supplement to their wages (30-40% more), directly from the Ministry of Education. Who should receive this supplement, and how much it should be, was a decision made outside the institutions, by committees appointed by the government. In June, 1984 a presidential decree had created the National System of Researchers (Sistema Nacional de Investigadores, SNI) . It included around 4,000 scientists, many of them part of the country's 14,000 members full-time faculty. In 1989, special funds were also allocated for public institutions, so that they could establish a similar program; however the government specified that funds were to be given to no more than 30% of the eligible faculty. The adoption of similar practices for the distribution of research funds by the National Council of Science and Technology (Consejo Nacional de Ciencia y Tecnología, CONACYT) and other agencies completed the new scenario.

The structural changes served not only to lower the level of political confrontation (for it could always be said that, however little, something was being done for higher education); they also served to reduce public spending for education. Ten years after the first cuts of 1982-83, the State finances were in a better shape than ever (the 1992 budget had a surplus), but spending for education has hardly increased, and is still far from the pre-1982 levels, despite the growth of the university system in these years.

The institutionalization of a reduced commitment by the State towards higher education signals a new political relation between the State and the academic institutions, and a new concept of the relation between the university and society. The message is that any concern for the problems of society must be superseded by the needs of the productive apparatus, as defined by the corporations and the business community. In the words of the Under-Secretary of Higher Education and Scientific Research of the Ministry of Education (Secretaría de Educación Pública, SEP):

[T]he most important part of the new university will be its linkage to society; joint planning between universities and industry; sharing of information for decision making; coordinated use of laboratories of industry, coordinated research, and the fact that industry¹s training and professionalization of its personnel become a process [endorsed] by the certification of the universities. (4)

As a result of the protectionist policies pursued by the government in previous years, Mexican industry had never felt the need to invest in research and development programs and infrastructure. Thus, it is not

surprising that the 120,000 businesses, that constitute the industrial apparatus of the country, have only a total of 55 R&D; centers. Nor is industry in any rush to set up a research infrastructure, although it is the accepted wisdom that global competition will wipe out the companies that cannot upgrade their technology and productivity. For its part, the government is not asking industry to finance the establishment of research centers in their plants, nor is prepared to finance the creation of such centers. It prefers to welcome industry to the use of the 880 centers available in the public higher education institutions. Everything there is ready and working. The new imperatives set by competition within the new global economy have been the center piece of the ideology by which the government has justified the transformation of the university. It is now accepted that the competitive challenge posed by economic globalization calls for a "high quality" university, as far as teaching and research, and that universities must develop the technological basis enabling Mexican industry to become a competitive exporter. Many university presidents, thus, are convinced of the intrinsic goodness of linking the university to industry; and this reasoning is strengthened by the fact that, again and again, the government has used the scarcity of funds to pressure academic institutions to establish closer relations with business. Such relations are now a prerequisite for the approval and funding of some academic programs.(5)

It is at the national level that this trend is most visible. The government is calling for the achievement of a broad agreement between government, industry and the universities. Meanwhile, the National Council for Science and Technology (CONACYT) has secured the participation of several CEOs of large corporations (airlines, communications, construction), as members of the highest ranking committee that is charged with the formation of highly trained scientists. Among other things, this committee decides which graduate programs--in the country's academic institutions and in the universities of the entire world-- are ³of excellence." In such programs, students may receive scholarships for room, board and fees, and the programs themselves are eligible for additional funds. More importantly, in 1990, the Ministry of Education and the representatives of the private sector signed an agreement that made government and business partners, in the conduction of that segment of higher education (the technical institutions) directly depending on the government.

The trend being set, some autonomous universities are exploring in which ways their relation with business can become an institutional program. Some universities, like UAM (Universidad Autonoma Metropolitana), try to circumvent their founding charter by setting guidelines and regulations that give priority to ³research programs harmonizing the needs of research and the needs of production.²(6) Others are more adamant and change their charters. This is what occurred in the Universidad Autónoma de Sonora, where changes were introduced allowing for the increase of tuition fees and the participation of businessmen in the Board of Directors.

One of the consequences of the new funding policies is that the possibility for the university to have a cohesive body of workers (staff and academic) has been undermined. The lowering and restructuring of salaries have created a sharp differentiation within the institutions. The programs introduced to supplement the salaries have widened the lower-higher income gap from 5 to 12. They have also created an atmosphere of uncertainty, since the supplements are temporary and new merit schemes are constantly being devised with different objectives (four are currently in operation). Finally, supplement programs deteriorate the professional commitment of those faculty and staff (about 90% of the total in any given institution) who are not eligible, or have been rejected in the evaluations.

Salary wise, only 10% of all workers (lumping together academic and staff) have incomes similar, in real value, to those of the past decade, that is $2,000 dollars a month or more. By contrast, 90% have an average income of around $500 dollars a month. Thus, many of the latter have to find alternative ways to supplement their salaries outside the institution. The merit pay policy, then, means a de facto reduction in the number of faculty and staff actually devoted to full-time work in the universities. For only about one third of the 16,000 full-time faculty, in the public higher education institutions, are in fact Œfully¹ paid.

The change in funding and pay policies have deeply affected the unions. The response from unions and faculty in 1983-1986 was very strong, but it has receded. A series of strikes during those years, which, at one point, closed up to twenty universities for a month, were unable to win a substantial salary rise or

modify the government plan for the universities. As a result, unions are now forced to accept very low increases, and are not allowed to supervise, in any capacity, the granting of the supplementary programs. The explicit instruction given by government officials to the university administrators is that they should not, by any means, negotiate the amounts or criteria for those funds.(7)

The new rules concerning the funding of the universities have also prompted a race among the administrators of different institutions to increase or introduce tuition fees. One remaining stronghold of free higher education still in existence is the National Autonomous University (UNAM), where a tenacious student movement has been able to prevent a planned tuition fees increase from the present amount--less than $1 dollar a year-- to $750 dollars. In other public institutions, tuition fees have already risen from similar low levels to $200 dollars a year. Given that more than half the students in public institutions come from families with incomes under $8,400 dollars a year, these increases will certainly have a strong impact on the families' ability to afford higher education for their children. Moreover, we can be sure that, once the idea is established that public education is not free, the burden of every fiscal crisis will be placed on the students.

The new creed that universities must submit to the plebiscite of the market is also reducing the spaces available for free and independent analysis. The Œneeds of society[1] are now unequivocally identified with those of the CEOs or their managerial offices, or with those defined by the Government. Significantly, some salary supplements are only granted to teachers whose activities follow the government plans for the country's development. (8)

While the importance of the unions and other collegiate bodies, as channels of participation and cohesion in the university, has diminished, institutional bureaucracies have been strengthened both in numbers and in functions. Echoing some of the suggestions of the World Bank for higher education in Latin America,(9) the Under-Secretary for Higher Education and Scientific Research has condemned the way in which universities select their presidents, administrators and representatives in the university councils, which are the core of self-government in the universities. The claim is that [3][t]he process used to appoint and choose authorities and representatives in several universities is far from sensitive to the opinion and the weight that should be given to the more brilliant faculty[2](10) --"the more brilliant" referring, without doubt, to the teachers selected in the evaluations for supplementary salary.

In conclusion, the new relations that have been established, inside and outside the university, point to a historic change with regard to the role of the university in Mexican society. True, the State's blueprint for the universities will have to undergo modifications, given the resistance of students, university workers (including the faculty), collegiate bodies, and the administrators themselves. It is, indeed, possible that the State may not be able to guarantee that the changes so far implemented will hold. The network of relations that supports these changes is still tenuous, top-down, and based on little consensus. Competence, productivity, quality and market needs can hardly be points of reference for academic activities, because the changes introduced inhibit such integration. Productivity, and merit pay can have an appeal for those who have access to programs providing a supplementary salary. For the rest, given the low salaries and the striking differences in pay, they have the opposite effect. In addition, the available programs are run by the government and from outside the institutions, which means that no self-sustaining dynamics can be generated from within the universities. In part to avoid this problem, the government is planning to create a few "high quality" universities so well connected to the market as to not need any prodding, and 40% to 60% self-sufficient as far as their funding requirements (through a combination of tuition fees, industry contracts and private donations). As for the remaining institutions, they are to form a subordinate layer, most of them receiving little funding and only in specific circumstances, and for "solid" projects. This plan fits very well with what is happening in other sectors, like the postal service and bussing. Unable to modernize the entire postal system, the government has created a special high-price system that runs efficiently, but only attends to a small fraction of the bulk of the mail. In the case of bussing, if a passenger can afford a 100% increase, instead of traveling the entire night in a crowded bus, s/he can travel in a super luxurious bus, with t.v. sets, bar and seats that extend for a full nights[1] rest.

This scenario is already unfolding in academe as well, and so are its contradictions. First, promoting a deep differentiation among institutions and university workers, holds very few promises as a strategy for increasing productivity. No matter how well paid and motivated are the 10% of the university workers who receive "merit pay", and no matter how hard they work, their effort can not compensate for the ballast represented by the 90% of the workers who have low salaries and resent this differential treatment. Such deep differences in earnings, in fact, make it clear that workers do not control their work environment, and justify a low-level commitment on the side of the faculty and staff not included in the new deal. A similar approach can be used to judge the probable efficiency of creating such enormous differences between institutions.

Furthermore, the corporate sector does not seem that interested in funding the universities or extensively using their laboratories. Possibly, only a few big corporations will establish relations with the universities, and probably many of them represent foreign capital. Judging from what is happening now, it is doubtful that such an intervention could make a significant difference in the universities' budget, or could pay for the real costs of the services. It is to be expected that the corporate world will only establish those connections that are clearly to its advantage, and will only seek to take advantage of the low overhead and low salaries of the researchers. Thus, in addition to the difficulty of face saving, in front of the fact that the new university is charging tuition and, at the same time, subsidizing big and foreign corporations, this leaves the government in the difficult position of having to continue to run the system and pay for it directly.

The resistance of workers and students, however disperse, has managed to slow the pace of change or, at times, bluntly stop it. This is what has happened in the National Autonomous University (UNAM) in 1986-87, when plans to increase the tuition fees were met by demonstrations of more than 100,000 students, and by a student strike that shut down the university for a month. As a result of these and other instances of resistance, the government now knows that, before attempting to change certain areas and institutions, it must give careful consideration to the risks involved. As the national electoral landscape becomes more and more unpredictable, mobilizations in the universities are not welcome. This is why, in 1992, the proposal to increase tuition fees in UNAM was again withdrawn, in front of the threat of new demonstrations and strikes, and the likelihood that these disturbance might quickly link with another potentially explosive conflict surrounding the elections in the state of Michoacán.

Another political problem is that all these changes have deep consequences for power relations inside and outside the institutions. Conflicts arising from disputes over areas of influence inside the institutions are more likely to occur in an environment undergoing constant changes, especially if the latter lack widespread support, and are based on little more than the authority to control resources. The instability of institutional life is also increased by the marginalization of large organizations such as the unions. At the national level, repeated confrontations between the Presidents of public universities and the Minister of Education, on matters related to funding, clearly show that the new relations have not crystallized yet and they may never do.

The State, in the universities and other areas, is now experiencing the effects of these contradictions. To Œmodernize[1] itself it had to shrink in size and severe its ties with the popular sector. However, by doing so, it has lost a great deal of the support it needed to carry on its programs. Support from the corporations, and a favorable world public opinion, are not enough to maintain the control of the rudder. The establishment of the "Solidarity" ([3]Solidaridad[2]) program (which devotes federal resources to public and community works, in collaboration with peasants and the urban poor) has revealed the acceptance of the limitations typical of a neo-liberal approach to development. The Mexican State has had to realize that a pure will to change, and a technocratic blueprint are not sufficient to change a country. In the countryside, in the factories and in the universities the times seem mature for the establishment of a new social pact.

Endnotes

1. Departmento de Education y Comunicacion, Division de Ciencias Sociales y Humanidades, Universidad Autonoma Metropolitana- Xochimilco (UAM) Medico, D.F. Tel. & FAX (5) 568 63 51.
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2. This constitutional amendment established autonomy as a constitutional right of the universities, but it also resulted in the banning of a national union, and the banning of the supervisory participation of unions in the admission, promotion and removal of the faculty.
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3. This includes the Ministry of Education (SEP, for its initials in Spanish), particularly the Under-Secretary for Higher Education and Scientific Research; the Ministry of Planning and Budget (SPP, in Spanish), and, with regard to specific issues and overall guidelines, the Presidential Office itself.
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4. La Jornada, 25/6/1990. (p.1)
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5. Programs in technology and engineering may also be evaluated according to the following : (i.) the relations of the faculty with the productive sector; (ii.) the relation between the research program and the problems of the productive sector. CONACYT Convocatoria : Actualizacion del Padron de Programas de Posgrado de Excelencia. La Jornada (Mexico) 25/5/1992. (p.18).
(*back to main text*)

6. The last part of the sentence was added by the proponents in order to ease its approval by the University Council, and it evokes the discourse of the nationalist sector in industry. Its future is in doubt in light of the North American Free Trade Agreement. Politicas de Investigacion,1.2. Politicas Generales. UAM 1985.
(*back to main text*)

7. ..the administration of money incentives for faculty..should be completely outside of the negotiations with unions or guilds. La Jornada, 24/4/1992. (p.3).
(*back to main text*)

8. For example, the criteria to be met by applicants to the National System of Researchers are "the recent productivity of the researcher...[and his/her] contribution to the scientific, technological, social and cultural development of Mexico, taking into account the objectives and direction stated in the National Plan of Development". This Plan is the program prepared by the President's team as the guideline for the government actions. It is not submitted to any legislative discussion for approval and it changes every six years with the new Administration (no reelection is allowed). "Acuerdo por el que se establece el Sistema Nacional de Investigadores." Secreteria de Educacion Publica. Diario Official. 26/7/1984.
(*back to main text*)

9. D.Winkler, "Higher Education in Latin America. Issues of Efficiency and Equality." World Bank Discussion Paper #7, 1990. There are many "policy choices" that are based on the assumption that "significant constraints to improving efficiency include a system of governance which often substitutes political for performance criteria; emphasis on university autonomy which rejects policy directives from government" (p. xiii).
(*back to main text*)

10. In "Existe en las universidades simulacion, abandono e improductividad", El Universal, 27/11/1992.
(*back to main text*)

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Resistance to Neoliberalism:
A View from South Africa
by
South African Comrades for the Encounter

1. South Africa and the Decline of Developmentalism

1.1 The Global Dimension

South Africa has a rich history of political debate and participatory democracy. This history offers a number of possibilities for alternatives to the neoliberal paradigm.

The demands of the South African people and working class which led to the defeat of the oppressive apartheid regime include, from this point of view, not only the abolition of institutionalized racism but also a real redistribution of wealth. The redistribution of wealth was sought both to empower people and communities in order to have their basic needs met, and address the historical imbalances created by racial capitalism. These were demands for revolutionary change by millions of people so that they could take control over their own lives after being deprived of the most fundamental social rights by a conjunction of institutionalised racism and monopoly capitalism. This demand was expressed in very concrete and material terms as demands for: proper housing, water and electrical services; the recognition of an adequate education to the tertiary level as a social right; a meaningful land reform; the end of oppressive and discriminatory practices in the workplaces; and the implementation of world-recognized labor standards.

The ANC-led cabinet which came out of the 1994 elections adopted a developmentalist approach to these demands. This approach was manifested as combining an active role for the state in the redistribution of domestic resources with a policy aimed at encouraging competitiveness in the promotion of manufactured exports and at defining South Africa as an attractive site for foreign investments.

The inherently contradictory nature of these two goals has become increasingly evident in the last two decades of neoliberal hegemony on economic policies worldwide, particularly in the so-called „developing countries¾. In fact, a dependent insertion into the world economy and plummeting revenues from the sale of raw materials were at the root of the debt crises in these countries, and of the intervention of the international financial institutions which came to their „rescue¾. The first casualty of these interventions was the interventionalist role of the state in these economies which characterized the first generation of development experiments in the post-colonial period.

The conditionalities and the fiscal austerity imposed on these countries by the IMF and the World Bank resulted in privatization, cuts in public spending reductions of public employment, the promotion of exports with low levels of manufactoured added value, and the definition of extreme forms of labor market flexibility. These structural changes, in turn, devastated social security networks, put in crisis employment relationships, and increased unemployment levels. The role of the state as a regulator of foreign investment flows and as a force capable of bargaining, to some degree, with multinational corporations for terms favorable to the re-investment of profits, for social and environmental responsibility, and for fiscal measures conducive to redistribution of wealth, were decisively curtailed by these structural shifts.

Consequently, the priorities of the state in these countries have tended to become increasingly conditioned by global corporate powers. National developmental projects in neoliberal contexts have lost any

pretension to regulate global movements of capital and have instead become increasingly dependent on foreign investment or „aid¾ schemes.

The generalized decline in the living standards brought on by these neoliberal conditionalities and fiscal austerity have made the control of the class in these countries very problematic. Resistance to neoliberalism has increasingly come from a diverse and articulated class composition responding through a proliferation of channels of both formal and informal resistance. This resistance has in turn often been met by a deepening crisis of the state - resulting in the exhibiting of the other side of neoliberalism: repression.

The impending decline of state sovereignity inside developmentalist projects in the „South¾ (southern part of world) - apart from residual attributions in the sphere of social control, repression, and technical implementation of IMF and World Bank¼s recommendations - is now confirmed and strengthened by new measures sponsored by the World Trade Organization (WTO) such as the Multilateral Agreement on Investments, and the agreements on public contracts. This decline parallels a shift in many countries in the North away form various attempts to enforce welfare state provisions. The transition in the North has been away from diverse forms of social citizenship, full employment and the provision of services as deferred income, to the reconfiguration of these states. Their main role has been redefined in the direction of supporting the competiveness of territories and/or privatized corporations in world markets, and of a social and economic policy totally subordinated to the imperatives of monetary stability imposed by transnational institutions.

As John Holloway has argued, nation states are being reduced to working at attracting and retaining, within their territories, a share of the global surplus value. States have become increasingly reactive as they attempt to attract foreign capital. In the process, their power to foster and make productive investments is immobilized. They are additionally weakened by the fact that capital-as-money attaches to no group of people and no particular activity. Although, it has not excluded a very high level of government intervention, for example, in the area of management of monetary policy, it has decisively diminished the role of the state in process of social mediation and equalization. In short, the crisis of the welfare state in the North and the crisis of develomentalism in the South are part of a broader exhaustion of policy options exclusively based on the state as the guarantor of social and economic justice. For the class, this emphasizes the need for strategies of resistance and contestation capable of questioning the state as the only arena of political representation and progressive change.

1.2 South Africa's Constraints: The "Apartheid Debt"

South Africa is somewhat different from both of the broad scenarios outlined above. In fact, compared to most countries of the South, the South African government's foreign debt has been minimal (only 5% of the total South African debt in 1996, while the overwhelming majority of South African foreign debt is held by private companies). This could have sheltered it to some extent from the neoliberal policy prescriptions of the international financial institutions. However, the South African state remains strongly indebted internally to major corporate powers, which were those who mostly benefitted from apartheid's cheap labor policies and public support. In 1997, only the service of the public debt amounted to 40 billion Rands, compared to the 15 billion Rands collected from income tax revenue. With a staggering interest rate of 22%, this has meant that resources for redistribution have been severely constrained and that the government's social and economic policy options were hostages to domestic monopoly capital. Therefore, the legacy of apartheid decisively shapes economic policy in the "new" South Africa.

Moreover, the mechanism of indebtment works in a perverse spiral. In fact, the South African public debt is mostly owned by large corporate investors (eg. pension funds) which use the government's transfers and interest payments to buy government bonds. In this way, the taxpayers' money is used by big business to enrich itself through the expansion of the public debt, to the detriment of programmes for the poor and the marginalised. As a result, the power of big business continues to decisively influence the direction of the

South African transition. However, the government has not merely been a passive hostage of this power. It supplemented the neoliberal orientations of big business by choosing to open to international financial institutions while at the same time dismantling the barriers to international competition. This process started with an IMF-sponsored drought-relief loan of US$ 850 millions. That loan was, actually, not necessary; its rationale was to commit South Africa to work with the IMF in order to facilitate a smooth transition in the 1994 elections. Since then, new interventions by the IMF and the WB have taken place. At this time the WB's director is now going to travel to South Africa to elicit the engagement of unions and "civil society" organisations in neoliberal policies, by coopting them in loosely- defined structures of "consultation".

In conclusion, the IMF and the WB did not act in South Africa as all-powerful and invincible forces simply subjugating the national state to their will. Their influence in South Africa was made possible by the continuing domination of a domestic monopoly capital which grew under apartheid, and by the cooperation of the new democratic state. It appears that the rationale for this state cooperation has been to provide stable social control and the demobilization of the most critical and militant expressions in the South African society (at the level of townships, workplaces, campuses and rural areas) which, in fact, can jeopardize the transition to a neoliberal form of democracy.

2. Homegrown Structural Adjustment: Neoliberalism of a Particular Kind?

The relevance of domestic economic and political factors in explaining the grip of international financial capital on South Africa has implications for our understanding of neoliberalism in this country. Patrick Bond captured the importance of internal factors in the phrase "homegrown structural adjustment," as opposed to externally-imposed structural adjustment policies in other African countries. This concept can substantially enrich and renew our critical analysis of neoliberalism. In fact, in the logic of the "homegrown structural adjustment," the nation state is not simply a victim of the impersonal, necessary and unquestionable dynamics of globalized capital. Not only is the national state a crucial actor in reproducing the worldwide hegemony of neoliberalism, but neoliberalism itself should no longer be regarded as a purely economic force. It is rather a political response to the struggle and the resistance of peoples who see in the transition to democracy not only the establishment of formal rules and procedures for elections. For them "democracy" means the effective delivery and redistribution of social wealth in the form of land, education, social services, transportation, electricity, water, roads, sewerage and, more importantly, the possibility to autonomously decide over their management and distribution in the communities.

In other words, neoliberalism is the response by the political and economic elites to higher and more sophisticated levels of articulation of the class composition in a society, and to the struggles that follow. Neoliberalism does not encompass a set of global standards. It is a political-ideological discourse which is the outcome of responses to the imperatives of particular social forces and interests. There is nothing inevitable about it. The claim by some commentators that the ANC government had no choice other than the adoption of "stringent market-related policies" is spurious, the kind of historical determinism which is ridiculed and dismissed when mouthed by leftists of the Jurassic variety.

We initially mentioned the developmentalist orientation of the ANC- led government in the context of the transition. Now, what is left of that option given the scenario of the "homegrown structural adjustment"? The Reconstruction and Development Programme (RDP), as the socio-economic program of the ANC for its election campaign of 1994, contained some elements of an anti-neoliberal thrust, shaped by consultations with the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP). As a whole, the RDP was a piece of social-democratic welfarism devised to redress the inequities of the past through the provision of education, health care and social services. However, RDP's greatest ambiguity remained its inability to provide the productivity deals and social

citizenship arrangements (e.g., full employment policies, comprehensive land redistribution, nationalisations) which could support the fiscal structures required by the "historic" social democratic welfare states. Moreover, when the RDP was written, the new gospels of fiscal restraint and macroeconomic discipline terminated similar social democratic experiments all over the world. Finally, the RDP contained strong neoliberal elements, such as an increased outward orientation of the economy and the promotion of foreign direct investment.

The ANC government used these ambiguities and weaknesses to accentuate the neoliberal contents of its economic policies. The July 1996 "Growth, Employment and Redistribution" (GEAR) strategy, drafted by the Ministry of Finance, is the most perfected formal elaboration thus far of this shift. GEAR reinforced the government's emphasis on fiscal discipline, containment of inflation, and export promotion as ways to enhance competitiveness. It would arguably enable public spending to rise again, but only if the, by now highly unlikely, growth rate of 6.1% is reached in the year 2000. GEAR gives a decisive roleto the liberalization of foreign exchange transactions, export promotion, privatization of state enterprises and the creation of a conducive and enabling environment for foreign investment. However, no specific measures were proposed to ensure business meets this duty to invest.

GEAR additionally recommended greater labor market flexibility, possibly via a two-tier system involving the deregulation of certain categories of semi- and unskilled work and the exemption of small business from provisions of the new labor legislation. Also envisaged was a "social accord" whereby wage restraint from organized workers would be rewarded with a commitment to price restraint from organized business. All this in a labor market that the International Labor Organisation itself has recognized as being extremely "flexible," characterised by wide wage fluctuations, and where large-scale firms resort to subcontracting, outsourcing and the use of casual labor. Finally, the demand-driven characteristics of economic growth were substantially emasculated by GEAR. Conversely, the RDP's residual focus on redistribution and job-creation as an independent and priority field of government intervention was entirely lost. GEAR's focus instead is South African business' international competitiveness and the performance of domestic and foreign corporate investors.

These shifts were already noticeable in the first post-RDP economic policy documents. These documents redefined the RDP's emphasis on "meeting basic needs" as a strategy played at a rhetorical level to generate consent and an attempt to contain some social consequences of poverty without eliminating the structural causes of poverty. GEAR was not a rejection of the RDP, but the confirmation of the neoliberal orientation already present, inside the RDP, albeit in a more nuanced way.

As the ANC's Rob Davies, former chair of the parliamentary Finance Committee, recognized, there was no guarantee that the implementation of all the prescriptions of GEAR would lead to the desired macroeconomic outcomes. It all apparently depended on the capacity of GEAR's measures to generate "confidence" among domestic and foreign private investors. In other words, private corporate profitability was recognized as the main vehicle through which some sort of general social improvement would take place, sooner or later, but without indicating how this was expected to happen. The results are telling: more than 100.000 jobs were lost during GEAR's first year (GEAR promised 126.000 jobs gained), Gross Domestic Product dipped to -0.8 percent in the first quarter of 1997, inflation teetered at 9.9 percent, and old and new inequalities were enlarged with the enrichment of a tiny layer of black corporate business.

The only visible "social" dimension of GEAR, and one of its main legitimizing motifs, was job creation. However, the director-general of the Ministry of Finance recently come out with the astonishing remark that more research is required to the link between economic growth and job creation. It is worth stressing that GEAR is not an aberration: it is rather a distillation of ideological predispositions that gradually took hold within the ANC during the 1990s. If GEAR's strategy is not be contested, the lesson business will learn from GEAR's failure is that more fiscal discipline, more privatizations, more cuts of public spending are required. A real danger exists that this lesson will find increasingly receptive ears in the government.

All social indicators have been adversely affected by the performance of neoliberalism South African-style. Consider the following:

*Provision of housing remains dependent on the competitive advantages required by corporate developers. State subsidies for the purchase of housing are available only for the most marginal sectors of the market which remain largely inadequate. Notably absent are schemes for public housing construction, or for subsidized rent, while the government does not oppose the developers' "redlining" policies in many areas. Conversely, the issue was addressed through very superficial forms of upliftment of urban areas ("pit latrines policies"), and through efforts to stop long-lasting rent and tariff boycotts which subordinated urban redistribution to largely ideological and rhetorical patriotic devices (the "Masakhane campaign").

*Processes of restitution and redistribution of state-owned land have not affected the fundamentally "willing seller-willing buyer" basis of the agrarian reform. Moreover, the existing processes through which rural communities arbitrarily dispossessed during apartheid can claim their land back do not provide for any real empowering mechanism at the local, grassroots level. As a result, the clientelist power of "chiefs" and traditional authorities in claiming the land for their communities has often increased.

*Struggles for the transformation of tertiary education have also clashed with inadequate funding and the impending cuts in public subsidies due to the reduction of state involvement in the sector. This "austerity" situation is used by old-style university administrations to resist change in the composition of the student body in order to make it more representative of the South African population, and to redress the plight of the formerly excluded. Workers and students' demands for a real change in working conditions and study curricula are blocked while the position of the privatizers of the university is reinforced. Moreover, struggles against privatization, downsizing and retrenchments have been matched by high degrees of repression as in the recent case of the COMSA trade union at the University of Durban-Westville.

*Women have also been dramatically affected. From one side, neoliberalism and globalization encourage their access to the labor market on the basis of their cheapness - given their continuing links with the household - and their adaptability, due to their desire to emancipate themselves from the oppressive structures of patriarchy. They are thus confined to the jobs with worst wages and working conditions, which are proliferating as a result of market-led processes of casualization, decentralization, homework. Moreover, neoliberal policies which cut public spending and basic services shift most of the burden of reproduction on women, thus reinforcing their subordinate position and forcing them to work even harder if they enter the wage labor market.

*Recent changes to industrial relations legislation explicitly posit a direct link between the end of conflict and adversarialism at the workplace level and the strenghtening of South African competitiveness in world markets and in the global scramble for foreign investment. To this end, flexibility, co-determination and worker participation are encouraged. However, this policy is pursued through separating collective bargaining over wages and working conditions, which is limited to the centralized level, from issues of productivity and restructuring, delegated to supposedly "conflict-free" forums at the workplace level. While no statutory duty to bargain exists in South Africa, this separation fundamentally disarticulates the bargaining power of workers on the shop floor, and it weakens the union leadership vis-a-vis business and government. The structural weakening of union power was clearly demonstrated in the union-management-government discussions aimed at amending basic employment standards legislation. Capital, using the the government's support, rejected union demands for a 40-hours working week and six months maternity leave. This sparked a massive wave of protest culminated in the 2 June general strike, and it led COSATU to question the viability of tripartite centralized bargaining, without, however, an alternative strategy clearly emerging.

Pressures on organized labor have recently intensified. A 1996 ANC discussion document on "The State and Social Transformation", produced by inside circles close to the vice-President and likely future President, Thabo Mbeki, warns the labor movement activists to give up their "economistic" demands, reminding them of relatively "privileged" status of the waged workers and their obligations to the developmental effort. Even though average manufacturing wages in South Africa are already at the level of the low-income Asian economies and the allegedly "privileged" position of the formal working class is pure fiction, since waged workers support a huge pool of unemployed relatives condemned to marginalization or the precariousness of the informal economy.At the same time, no similar obligations are

imposed upon capital; instead foreign investment is recognized as a priority leverage for the development effort itself.

The promotion of centralized bargaining and corporatist policy-making between capital, labor and government ultimately does not restore at the central level the power the workers lose at the grassroots. In fact, capital and the ANC are rather prone to bargain bilaterally the forms of restructuring which might be more unpopular for the workers. This often places the unions in front of the "fait accompli". Moreover, the power of capital in these deals is enormously increased by the government self-imposed constraints in the name of fiscal discipline (e.g.. a 3% deficit-to-GNP ratio by the year 2000). This, by preventing prospects for a demand-driven growth along Keynesian lines, annihilates the welfarist ambitions of South African corporatist decision-making. Moreover, even an expansionary policy based on purely monetarist devices and the reduction of the interest rate is questioned, given that this can lead to a further crisis for the unstable Rand and for a Balance of Payments already under strain.

In this scenario, the only chances left for macroeconomic growth are confined to foreign investment; to this end the government is currently engaged in a massive wave of privatization of basic services (transport, telecommunications, water). This completes a general framework which makes a mockery of the South African ambitions for a corporatist welfare state. The convergence between local oligopolies and foreign corporate investors, even if not without contradictions is, as we mentioned, an integral component of the homegrown structural adjustment. Furthermore, this same framework is elaborated and refined in the form of "macroeconomic constraints for the process of change" by a whole legion of academics, technocrats, consultants and research units. These people, mostly coming from a radical and militant past in the anti-apartheid struggle are now engaged in reminding the public during the day of the same "objective" limitations to radical change that they themselves help create at night for Anglo-American Corporation or the Department of Finance. These "experts" advise the workers to moderate their wage demands, and to link them to productivity, flexibility and company performance in the name of these limitations. And it is in the name of these limitations that they endorse the repression of students and workers protesting on campuses, and their newspapers and publications ignore the enduring struggles of the rural poor and the township squatters. The state, rather then being a passive victim of this mechanism, is a structure that must be controlled by forces reproducing the neoliberal paradigm through measures of deregulation, liberalization and privatization. But this hegemony would have been impossible without the crisis of welfare-developmental state options in the face of the globalization of capitalist command. The South African post-apartheid situation, therefore, ultimately questions the nature of the state itself as the primary focus of progressive struggles for change. For if state power achieved on the basis of one of the most powerful mass movements in the twentieth century cannot provide even elementrary social reforms, what good is state power in this period?

3. Resistance to Neoliberalism: Beyond Institutionalisation and Invisibility

The neoliberal hegemony over social and economic policy making, and the failure of social democracy to present itself as a real alternative, confront the people's desire for real change with a harsh alternative. On the one hand, the "civil society" is required to accept its orderly institutionalisation inside the neoliberal "macroeconomic constraints" and inside social-democratic structures of social control, corporatism, co-determination and pacification which are showing their failure both in their redistributive capacity and in their representiveness. On the other hand, those who do not want to accommodate to this process of institutionalization are simply relegated to invisibility. More than three years after the first appearance of the RDP, however, the masses still await some delivery of "the goods."

A solution to this dilemma requires an end to the current alternative between INVISIBILITY and neoliberal-social democratic INSTITUTIONALIZATION. The symbolic power that the RDP still holds for

the South African working class may still indicate the existence of an intermediate space between those two opposites. In fact, it shows the persistence of a vision of change based on reappropriation of basic needs and the refusal to subordinate social solidarity to the "demands of the market."

This vision seems able to sustain at the level of workplaces and communities the tradition of self-empowerment and self-organization that was crucial in the defeat of apartheid. It also creates contradictions for capitalist restructuring which diminish its prospects for stability. The promotion of flexibility and worker participation often has the unintended effect of making workers autonomously realize the importance of their social cooperation and communication and gives them space to clashes with a management stylecharacterized by a permanent racism and authoritarian innovation, as well as the unregulated resort to downsizing, outsourcing and retrenchments. Such a management style, far from disappearing, is reinforced by the search for new competitive positions for South African manufacturing in world markets.

Land struggles and occupations in areas such as Mpumalanga and the Northern Province have at the same time demonstrated the extent of the popular demand for a genuine land redistribution, of a widespread dissatisfaction with market-driven approaches and of the contestation of the role of "traditional" authorities. Struggles over land are affecting a whole range of issues linked to capitalist depletion of resources. People in Kyalami (Thembisa) massively rejected "development" in the form of a R 10 million construction of toxic waste dump, which eventually closed down. The Difateng community resisted pre-paid meter electricity installation, to which the electric company Eskom retaliated with a switch-off punishment. These kinds of struggles are, however, the most likely to fall into invisibility and oblivion given the silence of those whom SACP's Tebogo Phadu calls "deprofessionalized intellectuals".

The tradition of mass formations of struggle embodied in the "civics" at the level of black working-class townships entrenched a deep popular support for grassroots direct democracy, expressed in the 1980s in the forms of widespread anti-institutionality, boycotts of rent payments and campaigns against undemocratic local authorities. However, this democratic ethos was partially countered by authoritarian and personalized styles of local leadership. From the second half of the 1980s, the articulation of civil society was increasingly overtaken by an ANC hegemony over the movement that did not deepen practices of grassroots democracy, while preparing the ground for demobilization and institutionalization in the 1990s. In the post-apartheid era, the ANC-led government's response to broad social demands has not provided for an increase in welfare and services expenditure and the rejection of the debt inherited from apartheid.

The ANC reduced democratization to mere electoral and procedural politics, with no ambition to interfere with capital's prerogatives in the economic domain and no response to the process of demobilization and institutionalization of grassroots struggles. In the long run, the choice for the government was either empowering mass organizations and their individual members or relying on the expertise of the bureaucrats who had run the apartheid machine for decades. Clearly an alternative to neoliberalism would have necessitated opting for the empowerment of mass organization. Nationally organized in SANCO (South African National Civic Organization), the civic movement has recently pushed for redistribution and community control of resources. This effort requires the remobilization of the grassroots, and it confirms the continuing relevance for South Africa of a history of resistance characterized by mass-based organizations that have successfully posited alternatives to neoliberalismand which are still relevant to overcome the alternative between invisibility and subaltern institutionalization.

The current success of neoliberalism in South Africa does not necessarily imply the mass rejection of alternatives. The struggle to overthrow apartheid involved millions of ordinary people in structures that were organized along the principle of participatory democracy. Today, the mass movements and mass organization are still starting point for thinking again about alternatives. However, the reality is that existing mass organizations have been significantly demobilized and disoriented after the institutionalization of the labor movement and the civil society, particularly after 1994. The major leaders of nearly all unions and civics have gone into government. Moreover, political pressure from the ANC and financial carrots from business have led to generalized shifts from previous anti-capitalist positions.

4. Towards New Networks of Struggle

An alternative to neoliberalism will in the long run depend on alternative forms of organization and networks of struggle rooted in the post-apartheid South African class composition. The desire for an alternative is currently silenced by the choice between invisibility and institutionalization imposed by neoliberalism on the South African people. Making these networks and structures visible again is a major challenge.

Important short-term steps must be taken as well. First, a broad area of the left must break with the self-reassuring developmental rhetoric of the present government. This will be more likely to emerge if COSATU as a federation severs its formal political allegiance to the ANC and focuses on working class issues. Challenging neoliberalism will ultimately require creativity and inventiveness in the redefinition self-organized forms of resistance capable to link the struggle of the factory working class with the multiplicity of demands at the level of communities. The terrain of basic needs can provide one foundation for this political and organizational synthesis. Those same needs that are now denied by neoliberal commodification and marketization of life are nonetheless the material bases for ordinary people's distance from and resistance to neoliberalism.

The social cooperation and knowledge that people have to articulate in response to the capitalist colonization of their whole lifetime - be it in the form of worker response to flexibility, or as informal circuits of income generation and distribution outside the reach of capital and the state at the level of communities - represent an opportunity and a challenge for any form of organization engaged against neoliberalism. As an opportunity, it stresses the existence of a whole social world not reconciled with capitalist global imperatives. As a challenge, it requires rethinking the whole issue of organization. We must do away with easy slogans and shortcuts and recognize the inner diversity and reciprocal autonomy of struggles.

Moreover, if new networks of struggle question the viability of strategies focused on influencing or the conquering state power, they cannot be read as neoliberal sentiments of an undifferentiated "civil society" simply demanding the absence of the state from its midst. For the revolutionary past cannot be brushed aside; the social rights and progressive social policies the working class and the popular movements conquered through struggle, will find a place in networks of resistance against liberalization and privatization.

As this Encounter indicates, our analysis must be able to read how the different progressive formations, however structured, "organize, struggle and resist against neo-liberalism and for humanity". Our approach to current South African struggles against neoliberalism need to be understood in the broader, worldwide struggle for anti-neoliberal resistance. Contesting neoliberalism on a planetary scale will require a major reconstruction of the art and science of resistance. But given the tradition of grassroots democracy and popular mobilization in South Africa, the neoliberal paradigm can encounter here a degree of resistance that will have a significant impact on globalized processes of opposition. Neo-liberalism, like its apartheid predecessors, can only be swept away by mass organizations and movements; Hopefully, the movement will be prepared to make sure its own agendas rule the day neoliberalism dies.

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